



City of Houston 2012 Taxicab Rate Study

February 16, 2012

**City of Houston
Administration & Regulatory Affairs
Regulatory Affairs Division**

City of Houston



**Administration &
Regulatory Affairs**



Administration &
Regulatory Affairs

Memorandum

To: Mayor Annise D. Parker

From: Alfred J. Moran, Jr., Director
Administration & Regulatory Affairs

Thru: Darrin Hall, Deputy Chief of Staff

Date: February 16, 2012

Subject: 2012 Taxicab Rate Study

Mayor,


Enclosed please find ARA's 2012 Taxicab Rate Study and recommendation for a fare increase for taxicab trips within the city limits. The last overall fare increase for the industry was in 2005, with a fuel cost recovery fee and fuel surcharge added in 2006.

ARA determined that a taxicab meter rate increase is appropriate and necessary at this time. ARA proposes the following:

- 1) Increasing the proposed flag rate by \$0.25, from \$2.50 to \$2.75;
- 2) Increasing the mileage charge by \$0.40, from \$1.80 to \$2.20 per mile;
- 3) Eliminating the existing fuel cost recovery fee and fuel surcharge adopted in 2006. The rate increase proposed herein incorporates both into the recommended base rates as there is no expectation that the price of gas will be below \$3.00 in the foreseeable future;
- 4) Adopting the Houston Taxicab Cost Index (TCI) as the primary method for reviewing and adjusting taxicab meter rates. This methodology is explained in detail within the Taxicab Rate Study.
- 5) Adopting a requirement for an annual review of taxicab meter rates using the recommended TCI.

ARA is requesting the City Legal Department draft an amendment to Chapter 46 of the Code of Ordinances consistent with the findings in this study and the Department's recommendations. Please contact me at (713) 837-9660 or Tina Paez at (713) 837-9630 should you have any questions or concerns.

Kindest Regards,



Alfred J. Moran, Jr., Director
Administration & Regulatory Affairs Department

Enclosures

cc: David Feldman, City Attorney



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City of Houston
Administration & Regulatory Affairs Department
Executive Summary – Taxicab Rate Study
February 16, 2012

The City of Houston (“City”) regulates vehicles-for-hire for the health and safety of the riding public. As part of this function, the City regulates the rates charged to the consumer for certain transportation services, including taxicab trips within the city boundaries. The City last reviewed and increased rates in 2005.

On January 18, 2012, the City received a formal request from the taxicab industry (“Industry”) for a rate review and proposed increase. The Administration & Regulatory Affairs Department (“ARA”) has completed the requested Taxicab Rate Study and our findings are summarized below. The purpose of this Taxicab Rate Study is to review the change in various costs related specifically to the taxicab industry to determine whether a rate adjustment is appropriate at this time. The goal is to recommend a rate change that: 1) allows taxicab operators/drivers an opportunity to recover operating costs and to earn a reasonable profit; and 2) ensure customers continue to receive safe and adequate service at just and reasonable rates.

In performing this study, ARA reviewed changes in the Consumer Price Index for those items directly related to the taxicab industry such as fuel, insurance, vehicle maintenance and repair, fee increases, etc. The data presented herein indicates that taxicab-related cost indices increased by 27.31% since the date of the last review in 2004. ARA presented these findings to the industry at an industry-wide Stakeholder Meeting held on February 3, 2012. As a result of the feedback from that meeting and the concerns raised about implementing the full increase resulting from the cost data, ARA is recommending an increase that does not fully recover all the cost increases at this time. If ARA’s recommendation is approved, customers will experience an approximate 13% increase in the cost of an average non-zoned trip.

Methodology

Houston’s City Ordinance does not stipulate the requirements for adjusting taxicab meter rates. However, in the past, when a rate review was requested by the industry, the City initiated a Taxicab Rate Study. The study included a review of CPI factors, a rate comparison to other jurisdictions, and a review of independent information on taxicab operating costs as reported by the TLPA.

For this Taxicab Rate Study, the City of Houston went a step further and conducted a survey among the 50 most populous cities in the U.S. seeking information on the methodologies and practices used across the country in setting and changing taxicab meter rates. The Nationwide City Methods and Best Practices Survey indicated that almost all the major cities around the country employ the same methodology Houston already does: a review of the Consumer Price Index coupled with a comparison to the rates in other jurisdictions.



In a few instances, cities have tried to capture changes in costs more directly associated with the taxicab industry instead of reviewing the overall changes in the Consumer Price Index. In those cities, specific indices related to taxicab operating costs – vehicle repairs and maintenance; insurance; fuel; etc. – are weighted and evaluated together to create a Taxicab Cost Index or TCI that becomes the default methodology for setting and changing taxicab rates.

Therefore, based on our national survey of best practices, ARA's 2012 Taxicab Rate Study incorporates three different approaches in reviewing the taxicab rates to determine whether a rate adjustment is necessary. The three approaches are as follows:

- 1) Review of U.S. and Texas City Survey of Taxicab Service Rates (summarized in **Exhibit IV, "Major U.S. Cities Taxicab Rate Survey"**)
- 2) Consumer Price Index ("CPI") Analysis including development of a Houston Taxicab Cost Index ("TCI")
- 3) Taxicab Industry Proposals and Stakeholder Comments Review

Study Results

U.S. and Texas City Taxicab Meter Rates Survey. More than half the cities surveyed last increased rates between 2008 and 2011 to reflect inflation and cost of living changes. However, Houston's rates have not been modified since 2005 although the overall cost of living continued to steadily increase. Houston's current rate for a five-mile trip, inclusive of fuel surcharges, is the lowest of both the Texas and U.S. Cities surveyed. San Antonio's rates are the highest at \$14.25, followed by Austin with a \$14.00 fare. Houston's current rate of \$12.01 is 21.98% lower than the \$14.65 U.S. cities average rate for a five-mile trip. Based on this survey, a rate increase is indicated.

CPI Analysis. Applying the change in the proposed Taxicab Cost Index results in an increase of 27.31% – \$11.20 to \$14.26 for a five-mile trip. Changes in the Transportation and All Items index would result in a 20.63% and 17.23% increase, respectively. The TCI best reflects the costs associated with operating a taxicab in Houston. The TCI maintains a higher weighting for certain costs, such as the cost of fuel, than the general All Items and Transportation Index. The Proposed TCI rate of \$14.26 falls slightly below the nationwide cities' average and ties Houston's rate with that of San Antonio as the highest (second highest once Austin implements its third phased-in rate increase in 2012) among the Texas cities surveyed.

Taxicab Industry Proposals and Comments. Two industry proposals for a rate increase were received. Both proposals recommended rate increases, resulting in 6% and 13% increases in the average five- to six-mile trip, respectively. Based on the February 3, 2012 Stakeholder meeting and follow-up comments, in general, the industry supports an increase in rates. Requests for an additional passenger fee and luggage fee, elimination of the nighttime fee, and an increase in the downtown flat rate were considered, and explored further in the study.

Conclusion and Recommendation

Based on the foregoing analysis, ARA determined that a taxicab meter rate increase is appropriate and necessary at this time. The Houston Taxicab Cost Index indicates costs have increased by 27.31% since the date of the last review. Applying the recommended increase to existing taxicab rates results in an increase of approximately 17% to the cost of an average five- to six-mile trip.

However, ARA acknowledges that many industry participants in the Stakeholder meeting, and subsequent to it, have raised concerns about the magnitude of the City's proposed increase. Six of the seven large taxicab companies support a lower rate increase of 13% in the average five- to six-mile trip, citing competition from the limousine industry and concerns with the City's proposed equipment requirements that will further raise the effective meter rate. Although ARA's proposal is better supported by the available independent market data, ARA defers to the industry's concerns and, in the spirit of compromise, is recommending adoption of the industry's counter-proposal, which results in an increase to the average five- to six-mile trip of approximately 13%. To implement this increase, ARA recommends the following proposed rate structure:

- Increase the proposed flag rate by \$0.25, from \$2.50 to \$2.75
- Increase the mileage charge by \$0.40, from \$1.80 to \$2.20 per mile
- Eliminate the fuel cost recovery fee and the fuel surcharge because the proposed TCI rates cover the increase in the cost of fuel since 2006

Applying the compromise rate structure results in a fare increase lower than the 27.31% TCI-determined increase. The proposed rates result in a \$13.55 five-mile trip fare and a \$15.75 six-mile trip fare. As a result, the riding public will notice a 12.82% and 13.47% increase in the fare for a five and six mile trip, respectively.

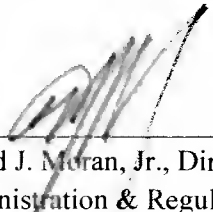
The proposed drop charge falls among the highest of the Texas cities surveyed and in the top tier of the national cities surveyed (8 of 26). Houston's proposed \$2.20 per mile rate would be the fifth highest among the Texas cities surveyed. The proposed per mile rate falls well below the national cities average of \$2.37 per mile.

Adoption of the Taxi Cost Index and Regular Rate Reviews. ARA recommends adopting the Houston Taxi Cost Index as the primary method for reviewing and adjusting taxicab meter rates. In addition, ARA recommends an **annual** review of taxicab meter rates using the recommended TCI. Regular review ensures the City meets its obligation to provide for a just and reasonable rate of return by responding to changes in cost conditions with rate increases that are small and easy to manage by the City, operators and consumers. Providing a standard, streamlined approach that is easily applied, understandable, and economical, allows staff to track inflation and cost of living increases on a regular basis, similar to the

current practice for determining non-consent tow rates. ARA recommends annual review with a minimum threshold for change at 5% and an automatic change every three years. As with non-consent tow rates, the industry could request, and pay for, a complete Taxicab Rate Study, or one could be initiated by ARA at any time. The industry did not express opposition to the adoption of the TCI and regular rate reviews.

Amending the Fuel Cost Recovery Fee and Fuel Surcharge. ARA recommends eliminating the current fuel cost recovery fee and fuel surcharge. The proposed TCI rate captures increases in fuel costs since 2006, when the fuel cost recovery fee and fuel surcharge were adopted. The industry supports elimination of the fuel cost recovery fee and fuel surcharge. ARA recommends including a provision allowing for fuel surcharges in the event of drastic gasoline price increases.

Respectfully submitted,



Alfred J. Moran, Jr., Director
Administration & Regulatory Affairs

cc: Mayor Annise Parker
Waynette Chan
Darrin Hall
Tina Paez
Alisa Talley

INTRODUCTION

The City of Houston (“City”) regulates vehicles-for-hire for the health and safety of the riding public. As part of this function, the City regulates the rates charged to the consumer for certain transportation services, including taxicab trips within the city boundaries. The City last reviewed and increased rates in 2005.

On January 18, 2012, the City received a formal request from the taxicab industry (“Industry”) for a rate review and proposed increase. The Administration & Regulatory Affairs Department (“ARA”) has completed the Taxicab Rate Study and our findings are summarized below. In performing this study, ARA reviewed changes in the Consumer Price Index for those items directly related to the taxicab industry such as fuel, insurance, vehicle maintenance and repair, fee increases, etc. The data presented herein indicates that taxicab-related cost indices increased by 27.31% since the date of the last review in 2004. ARA presented these findings to the industry at an industry-wide Stakeholder Meeting held on February 3, 2012. As a result of the feedback from that meeting and the concerns raised about implementing the full increase resulting from the cost data, ARA is recommending an increase that does not fully recover all the cost increases at this time. If ARA’s recommendation is approved, customers will experience an approximate 13% increase in the cost of an average non-zoned trip.

TAXICAB RATE STRUCTURE

Taximeter rates are comprised of two primary components: a “flag” rate, also known as a “drop” rate, and a mileage rate. The flag rate is the initial fee paid by the riding customer. It is a flat fee that will be paid regardless of the distance traveled. Typically, the drop rate includes a portion of the mileage traveled, so a typical taxicab rate will be quoted with both components. For example, the current taxicab base rate in Houston (incorporating both the 2005 codified rates as well as the 2006 fuel cost recovery fee that changed the base rate) is a \$2.50 drop rate that includes the first 2/11 of a mile traveled, plus a mileage rate of \$0.17 for each additional 1/11 of a mile (or \$1.87 per additional mile). So to travel one mile the customer would pay:

$$\$2.50 + (\$0.17 \times 9) = \$4.03 \text{ for one mile traveled}$$

Jurisdictions often add other fees to this rate, such as waiting time fees, airport fees, night surcharges, fuel surcharges, additional passenger fees, luggage fees, equipment surcharges, environmental fees, tolls, peak time surcharges, etc. Most jurisdictions also establish flat rates or “zone rates” for those areas that have the highest volumes of trips, such as trips within a central business district or trips from an airport to frequently traveled destinations. Houston’s zone rates will be discussed in more depth throughout this paper.

BACKGROUND – PRIOR RATE STUDIES

The last taxicab meter rate review was initiated by the Finance and Administration Department (F&A) in November 2004 at the request of the Industry. Based on the results of that review, in 2005 F&A recommended a 6.00% to 8.00% increase in rates. The recommended rates were approved by City Council in August, 2005, (Exhibit I, “City of Houston Ordinance No. 2005-940”). As a result, the rate

for a five-mile trip increased by 5.66% from \$10.60 to \$11.20 and 6.12% for the industry standard six-mile trip — from \$12.25 to \$13.00. The cost of a 20-mile trip increased by 8.06% — from \$35.35 to \$38.20. Prior to 2005 taxicab meter rates were increased in August 2001, June 1995, and January 1993. *Current rates as adopted in 2005, without the fuel cost recovery fee/fuel surcharge are outlined in Table 1 below.*

Table 1 —Current Rates/ Fares (No fuel cost recovery fee/surcharge)		
Current Fare Schedule	Sample Meter Fares — Non Airport, Daytime Trips	
Daytime Mileage Rate \$2.50 first 1/6 mile \$1.80 each additional mile (\$0.30 each additional 1/6 mile)	Trip Distance	Current Rates (No fuel fee/surcharge)
Nighttime Mileage Rate \$3.50 first 1/6 mile \$1.80 each additional mile (\$0.30 each additional 1/6 mile)	1 Mile Trip	\$4.00
	2 Mile Trip	\$5.80
	3 Mile Trip	\$7.60
	4 Mile Trip	\$9.40
	5 Mile Trip	\$11.20
	6 Mile Trip	\$13.00
Waiting Time \$20.00 per hour	10 Mile Trip	\$20.20
	15 Mile Trip	\$29.20
	20 Mile Trip	\$38.20

FUEL STUDY 2006

Following the 2004/2005 taxicab meter rate review, fuel prices were volatile and were increasing so quickly that the meter rate increase that has just been approved by City Council was quickly negated by the higher gas costs. As a result, the industry requested the City review the feasibility of implementing a separate, automatic increase mechanism to allow the industry to more quickly adjust its rates in response to changing fuel prices. Specifically, F&A reviewed the feasibility of implementing a taxicab fuel surcharge to allow taxicab operators an opportunity to recover increased costs due to the dramatically escalating fuel price increases at that time. Based on the results of the review, F&A recommended a fuel cost recovery fee and fuel surcharge. F&A's recommendation was approved by City Council in June, 2006 (**Exhibit II, "City of Houston Ordinance No. 2006-668"**). The Ordinance provided the following:

- A fuel cost recovery fee of \$0.07 per mile that would apply when the price of regular unleaded gasoline exceeds \$2.00 per gallon; and
- A per-trip surcharge beginning at \$0.50 when the average price of regular, unleaded gasoline exceeds \$3.00 per gallon over a specified calendar quarter, to be followed by an increase of \$0.50 in that surcharge for every \$0.50 increase in the price of gasoline above \$3.00 per gallon.

The fuel cost recovery fee and fuel surcharge have been in effect since 2006. Based on fuel trends, the City does not anticipate a decrease in fuel rates below the \$2.00 average gasoline price per gallon threshold established by Council. As a result of the fuel cost recovery fee, the cost for a five-mile trip increased by 2.77% — from \$11.20 to \$11.51 and 2.92% for a six-mile trip — from \$13.00 to \$13.38. Adding the \$0.50 fuel surcharge currently in effect, the rates for a five-mile and six-mile trip are now \$12.01 and \$13.88, respectively. *Current rates, inclusive of the fuel cost recovery fee and fuel surcharge are outlined in Table 2 below:*

Table 2 — Current Rates with Fuel Cost Recovery Fee and Fuel Surcharge			
Current Rate Schedule	Sample Meter Fares — Non Airport, Daytime Trips		
	Trip Distance	Fuel Fee	Fuel Fee & Surcharge
Daytime Mileage Rate \$2.50 first 2/11 mile \$1.87 each additional mile (\$0.17 each additional 1/11 mile)	1 Mile Trip	\$4.03	\$4.03
	2 Mile Trip	\$5.90	\$5.90
	3 Mile Trip	\$7.77	\$8.27
	4 Mile Trip	\$9.64	\$10.14
Nighttime Mileage Rate \$3.50 first 2/11 mile \$1.87 each additional mile (\$0.17 each additional 1/11 mile)	5 Mile Trip	\$11.51	\$12.01
	6 Mile Trip	\$13.38	\$13.88
	10 Mile Trip	\$20.86	\$21.36
	15 Mile Trip	\$30.21	\$30.71
Per Trip Fuel Surcharge (for trips longer than 2 miles) \$0.00 / \$3.00 or less average gasoline price per gallon \$0.50 / \$3.01 to \$3.50 average gasoline price per gallon \$1.00 / \$3.51 to \$4.00 average gasoline price per gallon	20 Mile Trip	\$39.56	\$40.06
Waiting Time \$20.00 per hour			

ZONE RATES

Alternate flat rates, known as zone rates are applied for trips between Houston's two major airports and various geographic zones in the city including Downtown, the Galleria, the Medical Center, Kingwood, Clearlake and others. Currently, there are ten zone rates for trips from George Bush Intercontinental Airport to various destinations in the Houston area, and 11 zone rates for trips from Houston Hobby Airport to various Houston areas. There is also a zone rate applicable to trips occurring entirely within Houston's Central Business District.

Flat zone rates were established with a two-fold purpose: 1) to allow visitors to Houston to know the cost of an airport trip in advance; and 2) to allow the public to make an informed choice when comparing the charges for different types of public transportation in Houston. Zone rates also provide a means for capturing additional fees that cannot be easily metered (e.g. night service fees, fuel surcharges, senior citizen discounts, toll road fees, airport fees, etc.). Not all fees are applicable to each trip. Therefore, they cannot be added to the meter. Zone rates are used in most major metropolitan areas.

Zone rates in Houston have traditionally been set from the center or most frequent destination in a zone. *Tables 3 and 4 below outline the zone rates currently in effect inclusive of the fuel cost recovery fee and fuel surcharge:*

Table 3 — Current Zone (Flat) Rates — George W. Bush Intercontinental Airport (IAH)				
Zone	Vicinity	Daytime Trip	Nighttime Trip	Avg. Miles
1	North Houston, 610 North	\$38.50	\$39.50	19.30
2	Downtown, Central Business District	\$45.00	\$46.00	22.80
3	Galleria, Greenway Plaza, Medical Center, Memorial, River Oaks	\$51.50	\$52.50	26.30
4	Astrodome	\$55.50	\$56.50	28.50
5	William P. Hobby Airport	\$62.50	\$63.50	32.20
6	West Memorial, Bear Creek	\$69.50	\$70.50	35.80
7	Ellington Field, Westside	\$75.00	\$76.00	38.70
8	NASA, Space Center Houston	\$89.00	\$90.00	46.40
9	Kingwood	\$29.00	\$30.00	14.30
10	Willowbrook	\$35.50	\$36.50	17.60

Table 4 — Current Zone (Flat) Rates — William P. Hobby Airport/ Houston (HOU)				
Zone	Vicinity	Daytime Trip	Nighttime Trip	Avg. Miles
1	Medical Center, Ellington Field, Southeast Houston	\$27.50	\$28.50	13.40
2	Downtown, Central Business District	\$22.50	\$23.50	10.80
3	Heights, Greenway Plaza	\$33.50	\$34.50	16.50
4	Galleria, North Loop	\$46.50	\$47.50	23.70
5	Bellaire, Town & Country	\$52.50	\$53.50	26.80
6	Dairy Ashford	\$60.00	\$61.00	30.80
7	Highway 6	\$69.00	\$70.00	35.50
8	Bush Intercontinental Airport, Greenspoint	\$61.00	\$62.00	31.30
9	NASA, Space Center	\$32.00	\$33.00	15.90
10	Kingwood	\$73.50	\$74.50	38.10
11	Willowbrook	\$68.00	\$69.00	35.00

STUDY PURPOSE AND METHODOLOGY

The purpose of this Taxicab Rate Study is to review the change in various costs related specifically to the taxicab industry to determine whether a rate adjustment is necessary at this time. The goal is to recommend a rate change that: 1) allows taxicab operators/drivers an opportunity to recover operating costs and to earn a reasonable profit; and 2) ensures customers continue to receive safe and adequate service at just and reasonable rates.

The initial step of the review includes a survey of other U.S. cities regarding methods and practices for establishing and adjusting taxicab service rates. We also reviewed changes in the consumer price indices associated with costs directly affecting the taxicab industry, and taxicab meter rates in other U.S. cities and comparable Texas cities. We also considered the two industry proposals received. Finally, we held a Taxicab Stakeholder Meeting on February 3, 2012 to solicit feedback regarding the City's rate increase proposal as well as the two industry proposals. A summary of comments received from the taxicab industry as a result of that Stakeholder meeting is included within this study.

Based on the results of the City Methods and Practices Survey, a review of available studies and literature regarding taxicab meter rate regulation, and considering Houston's current regulatory environment, ARA recommends a standardized cost model for determining rates — a taxicab cost index (TCI). The TCI is a cost model implemented by Los Angeles, California with similar cost models used in Calgary and Ottawa, Canada and Minneapolis, Minnesota. ARA applied a proposed TCI herein. The TCI review is incorporated into the overall Consumer Price Index (CPI) review. Pursuant to Section 8-123 of the City of Houston Code of Ordinances, the City applies a similar analysis already for adjusting tow rates annually.

In order to develop a TCI representative of the Houston taxicab industry, ARA conducted a survey of taxicab operators and drivers. The survey requested information regarding operating costs on a per mile basis. The results of the survey would be considered in determining appropriate indices and associated weights in developing the TCI cost model. ARA also reviewed and considered available reports and

information regarding similar cost models and taxicab industry data published by the Taxicab, Limousine & Paratransit Association (“TLPA”) regarding the total operating cost per mile for taxicabs.”¹

In summary, in performing this Taxicab Rate Study, ARA:

- 1) Conducted a Nationwide City Methods and Best Practices Survey – a review of methods and practices for determining taxicab meter rates in cities across the country;
- 2) Initiated a Consumer Price Index (“CPI”) Review – ARA reviewed the changes in the overall CPI, as well as the changes in the indices directly related to the taxicab industry. As a result of this review, ARA developed a “Taxicab Cost Index” or “TCI”, which standardized the indices we will review annually for changes in taxicab costs. In developing the TCI, ARA also conducted a survey of taxicab owners and drivers to establish the appropriate weights to attribute to each cost category in the TCI. We also reviewed similar cost models used in other jurisdictions for information regarding the appropriate weighting of costs. This will be discussed in more depth later in this paper.
- 3) Conducted a U.S. and Texas City Survey of Taxicab Service Rates – This was a benchmarking exercise to determine whether Houston’s existing and proposed taxicab rates are reasonable and within the range of rates for similarly situated metropolitan areas;
- 4) Incorporated Taxicab Industry Proposals and Comments – ARA reviewed the feasibility of two industry-initiated rate increase proposals as well as industry feedback arising out of ARA’s Taxicab Stakeholder Meeting held on February 3, 2012.

NATIONWIDE CITY METHODS AND BEST PRACTICES SURVEY

ARA surveyed other major cities in the U.S. and in Texas regarding methods and practices used to review and establish rates. ARA also reviewed related studies, literature and other available information regarding taximeter rate setting methods. In performing this best practices survey, ARA selected cities based on population size, selecting from the 50 most populous cities in the U.S. as reported by the U.S. Census Bureau according to the 2010 Census.² ARA also included two additional cities outside the initial (population-based) survey group — two International Association of Transportation Regulators (IATR) member cities. Of the 52 municipalities surveyed, 30 cities responded. Of the 30 responding cities, 19 provided usable responses. As a result, the Nationwide City Methods and Best Practices Survey is based on the 19 responses. A summary of the survey results, outlining the main review methods reported, are provided in **Exhibit III, “Nationwide City Methods and Best Practices Survey.”**

The majority of respondents to our survey, thirteen cities, reviewed taximeter rates within the past four years. Eight respondents last conducted a rate review in 2010 and 2011, one in 2009, and four in 2008. Only three respondents have not reviewed rates in recent years.³ ARA did not survey respondents regarding the frequency of rate reviews. However, in 2006, Los Angeles performed a similar survey.

¹ Taxicab, Limousine & Paratransit Association, *2011 TLPA Taxicab Fact Book: Statistics on the U.S. Taxicab Industry*, November 2011, 8.

² U.S. Census Bureau, “United States Census 2010 Interactive Population Map: Most Populous Places,” accessed January 2012, available from: <http://2010.census.gov/2010census/popmap/>.

³ One respondent reported that rate reviews are not performed by the city, instead rates are recommended by the Taxicab companies. Two additional respondents did not indicate when the last rate review was conducted.

Based on the 2006 survey results, Los Angeles reported that the time frame for reviews was generally “as requested”, “annually”, or “every two years”.⁴

Respondents reported various methods for reviewing and setting taxicab meter rates. Methods reported included a review of consumer price index factors, rate comparisons to other jurisdictions, a review of service demand changes, and stakeholder surveys regarding rates. Although not included in the actual survey responses, additional methods may include a review of financial information and operator statistics.⁵ ARA also notes that stakeholder, board, and governing body input, while not an actual rate-setting method, are factors that strongly influence rates. The prevalent taxi rate-setting methods reported by other cities are summarized below.

- A. **Reviews of Consumer Price Index Factors:** The CPI review may consider a single, usually regional component, or a blend of several different components including fuel. In at least five of the cities, the CPI review is the primary rate review method.

Los Angeles and Minneapolis developed a blended cost index. The cost index, which is sometimes referred to as a “Taxi Cost Index” or “TCI”, works very much like a consumer price index, except that it measures the percentage change in **the cost of operating a taxi**, rather than the percentage change in the cost of living for the average consumer.⁶ The TCI reflects the change in costs specific to the taxicab industry such as vehicle repairs, permit fees and vehicle insurance. Each cost component included in the index receives a weight proportional to its share in total costs of operation.”⁷ Similar indices are also used by Calgary and Ottawa, Canada. Los Angeles first approved the use of the taxicab-specific cost index in 1999.

The remaining three cities, San Diego, Sacramento and San Jose, review a single regional cost component. Although West Hollywood does not perform an actual rate review, the City of West Hollywood did report it ties taxicab rates to the rates established by Los Angeles. San Jose developed its rate adjustment methodology, inclusive of the CPI review, in 2006.

- B. **Rate Comparisons to Other Jurisdictions:** According to the responses, the majority of cities included some type of rate comparison as part of the overall rate review. Several cities use the rate comparison as the **main** review method. While other cities such as Minneapolis, Miami, Sacramento, San Jose and Los Angeles include the rate comparison as an additional review method in the overall rate study. A rate comparison assesses the overall reasonableness and the competitiveness of the local rates compared to rates in other jurisdictions.

Conclusion: Survey respondents reported various methods for determining taxicab meter rates.

The results are consistent with findings reported by academicians and transportation experts James Cooper, Ray Mundy and John Nelson. According to Cooper et al, approaches used for establishing

⁴ City of Los Angeles, Department of Transportation, “Semi-Annual Review (First Half of 2007) of Taximeter Rate Including New Recommendations for Taxi Cost Index Baseline Factors,” October 2007, 8.

⁵ Although Seattle and Philadelphia did not respond directly to survey questions, both cities forwarded information regarding prior rate reviews. According to the information provided, both cities included a review of financial information and/or operator statistics. Philadelphia developed financial information using operator statistics extracted from a coordinated dispatch system.

⁶ Hara Associates, *Calgary Taxi Cost Index*, prepared for the City of Calgary Taxi Limousine Advisory Committee, September 2009, 3.

⁷ Ibid.

taxicab meter rates by U.S. jurisdiction vary.⁸ However, two methods – a rate comparison to other cities and the review of Consumer Price Index factors – are the most common rate setting methods reported.

The most prevalent method among the cities surveyed is to incorporate a city rate comparison survey when determining rates. Another prevalent approach is the CPI factor review. Based on the survey responses and review of available studies and literature, cities are seeking a standardized method for establishing rates – a rate review solution that is consistent, simple, easy to understand, easily replicated, economically justified and economical (cost and time). Most importantly, cities are seeking a solution that considers the cost of doing business in the taxicab industry.

Based on ARA's overall methods and practice review, the development of a TCI coupled with a review of taxicab rates in peer cities, appears to be the most objective approach, as well as the least complicated to administer. The results are easily replicated and, once the cost factors are established, easily calculated.

U.S. AND TEXAS CITY SURVEY OF TAXICAB METER RATES

As part of the taxicab meter rate review, ARA surveyed other cities and reviewed city ordinances and other available information to obtain current taxicab meter rates. ARA focused on other major U.S. cities and on peer cities in Texas. With the data obtained from the survey, ARA was able to compare Houston's current taxicab meter rates with the rates of the other cities. To compare rates, ARA calculated the typical cost for a sample five-mile trip. ARA included per-trip/per-mile fuel surcharges, if applicable, in the rate calculation.

A. Houston Taxicab Meter Rates vs. Other Texas Cities

ARA surveyed six major Texas cities – San Antonio, Dallas, El Paso, Fort Worth, Austin and Corpus Christi. Two of the cities surveyed last increased rates in 2011 – San Antonio and Austin. As a result of a 2010 rate review, Austin initiated a three-phase rate increase with the final increase scheduled for March 2012. Cities increasing rates more than four years ago include Corpus Christi, El Paso, Dallas and Fort Worth. Dallas last increased rates in 2005, and the remaining three cities in 2006. Houston last increased rates in 2005.

The current Houston taxicab meter rate of \$12.01 for a five-mile trip is the **lowest** of the Texas cities surveyed.⁹ San Antonio is currently the highest with a \$14.25 trip fare, followed by Austin with a \$14.00 fare. Houston's \$12.01 rate ranges from 18.65% (San Antonio) to 4.50% (Fort Worth and Dallas) lower than the other cities surveyed, and is 8.91% lower than the \$13.08 average. Table 6 below summarizes taxicab meter rates currently in effect in the Texas cities surveyed. ARA included the fares for both a five- and six-mile trip.

⁸ James Cooper, Ray Mundy and John Nelson, *Taxi! Urban Economies and the Social and Transport Impacts of the Taxicab* (Burlington: Ashgate Publishing Company), pg. 83.

⁹ Taxicab meter rates for a five-mile trip are based on the drop fee, distance and if applicable, the fuel recovery fee/surcharge.

Table 6 — Taxicab Meter Rate Comparison

City	Initial Drop Fee	Initial Drop Distance	Additional Mile Rate	Additional Mile	First Mile	Each Mile After	Trip Fare (5 miles)	Trip Fare (6 miles)	Waiting Time \$/HR	Last Increase
San Antonio	\$2.50	0.0	\$2.35	1.0	\$4.85	\$2.35	\$14.25	\$16.60	\$24.00	2011
Austin	\$2.50	1/7	\$0.30	1/7	\$4.80	\$2.30	\$14.00	\$16.30	\$27.00	2011
Corpus Christi	\$2.50	1/5	\$0.45	1/5	\$4.30	\$2.25	\$13.30	\$15.55	\$18.00	2006
EL Paso	\$1.65	1/5	\$0.45	1/5	\$3.90	\$2.25	\$12.90	\$15.15	\$27.00	2006
Dallas	\$2.25	1/9	\$0.20	1/9	\$3.85	\$1.80	\$12.55	\$14.35	\$18.00	2005
Fort Worth	\$2.25	1/9	\$0.20	1/9	\$3.85	\$1.80	\$12.55	\$14.35	\$18.00	2006
Houston	\$2.50	2/11	\$0.17	1/11	\$4.03	\$1.87	\$12.01	\$13.88	\$20.00	2005

B. Houston Taxicab Meter Rates vs. Other Major U.S. Cities

ARA also surveyed 25 other major U.S. cities regarding current taxicab meter rates. The cities surveyed were selected from the 50 most populous cities in the U.S. as reported by the U.S. Census Bureau according to the 2010 Census.¹⁰ Included in the nationwide survey group are five of the six Texas cities.¹¹ Of the 25 cities surveyed, more than half – 18 – increased rates within the last four years. Of the 18, six increased rates in 2011, 11 in 2008, and one in 2009.

When compared to the other major cities around the country, Houston's current taxicab meter rate of \$12.01 for a five-mile trip is the **lowest**. San Diego and Sacramento are currently the highest with a maximum rate of \$19.00.¹² Houston's \$12.01 rate ranges from 58.20% (San Diego and Sacramento) to 0.33% (Chicago) lower than the other cities surveyed. With a \$12.05 rate for a five-mile fare, Chicago has the second lowest rate next to Houston. Fort Worth's and Dallas' rates are also among the lowest, with a rate of \$12.55. Houston's rates are 21.98% lower than the \$14.65 average for a five-mile trip. Taxicab meter rates for the major U.S. cities surveyed are summarized in **Exhibit IV, "Major U.S. Cities Taxicab Rate Survey."**

Conclusion: When comparing Houston's rates to other major U.S. cities and to other cities in Texas, Houston's current rates are consistently the lowest. The majority of cities surveyed increased rates within the past four years. However, Houston has not increased rates in more than six years. Houston's local taxicab industry has not requested an increase in rates since 2004, despite continuing increases in the cost of living. Nonetheless, the disparity in Houston's rates when compared to other major cities is one indicator that a rate adjustment may be in order at this time.

¹⁰ U.S. Census Bureau. "United States Census 2010 Interactive Population Map: Most Populous Places," accessed December and January 2012, available from: <http://2010.census.gov/2010census/popmap/>. Included in the survey are cities in which taxicab meter rates were verified by staff either through ordinance review, review of other related information or by direct contact and/or information provided by city personnel. While ARA staff made every attempt to directly contact other City staff to discuss rates, this was not always possible in every case by the time the report was drafted.

¹¹ Corpus Christi does not fall within this selection group.

¹² Sacramento and San Diego set maximum rates. Taxicab operators/drivers have the option to assess fares lower than maximum, but cannot exceed the overall maximum rate. San Diego reported that few operators assess the maximum fare.

CONSUMER PRICE INDEX REVIEW

Houston's City Ordinance does not stipulate the requirements for adjusting taxicab meter rates. However, in the past, when a rate review was requested by the industry, F&A initiated a Taxicab Rate Study. The study included a review of CPI factors, a city rate comparison, and a review of independent information on taxicab operating costs as reported by the TLPA. When determining the amount of the overall rate increase in the last study, the 2005 Taxicab Rate Study, significant weight was given to the CPI factor review. The study did not include a review of company-specific financial information or individual operator statistics.¹³

Based on ARA's Nationwide City Methods and Best Practices Survey, and considering Houston's current regulatory environment, ARA is recommending a standardized method for determining rates that has been used successfully by other jurisdictions – a Taxicab Cost Index. ARA currently applies a similar approach in determining non-consent tow rates, an approach approved and adopted by City Council and codified in Section 8-123 of the Houston Code of Ordinances.¹⁴ The proposed TCI provides a consistent solution for establishing rates, one that is easy to implement, easy to update, easy to understand, easy to replicate and economically appropriate. In addition, the TCI approach is cost effective, requiring limited resources (including financial and personnel resources), allowing for more regular rate reviews.

The TCI provides a standardized approach that considers the direct cost of doing business in the taxicab industry, without requiring taxicab operators/drivers to submit proprietary, company specific, cost and revenue data. Instead, the TCI is based on the proportions of a particular type of service or expense used by the entire industry. This is significant because it is often difficult to obtain data from the industry. If data is received from the industry, the data is not always accurate or complete.

A. Developing the Houston Taxi Cost Index

ARA reviewed taxi cost models developed for Los Angeles, Calgary and Ottawa by Hara Associates. Hara Associates is a Canadian firm comprised of economists who specialize in regulatory and infrastructure issues. Hara regularly consults on policy-related issues for regulators in Canada and the U.S. ARA also reviewed the blended cost index developed by the City of Minneapolis.

Based on these models, as well as operating cost data (reported on a per mile basis) provided by the TLPA and responses to ARA's Taxicab Operator and Driver Cost Survey, ARA developed a proposed TCI for Houston. The TCI includes several indicators from the CPI as provided by the U.S. Department of Labor – Bureau of Labor Statistics on a monthly basis. ARA believes the indices chosen for the TCI best reflect the costs associated with operating a taxicab in Houston.

¹³ Financial information and operator statistics are often difficult to obtain, usually unverified, and incomplete or inconclusive.

¹⁴ Council approved the recommendation in December 2011. Wrecker rates are adjusted annually based on a blended CPI index. While the wrecker industry may request a full cost of service review, the industry is responsible for paying the cost of such of review.

1. Taxicab Operator/Driver Survey

In creating a TCI for Houston, the City first developed a cost profile for a “typical” Houston taxicab operation. The cost profile is based on a percentage of a trip assigned to each type of cost (fuel, insurance, repair and maintenance, etc.). Ideally, developing the cost profile requires input from the local taxicab industry. Therefore, ARA developed a survey requesting local industry input. The survey was modeled after a survey prepared by Hara Associates when developing the cost profile for Calgary and Ottawa.¹⁵

ARA developed two survey forms – one for Houston taxicab company owners and one for Houston taxicab drivers. The survey requested information regarding the cost of operating on a per mile basis. Respondents were asked to provide cost data either as a percentage of the total operating cost or actual cost and revenue estimates.

The taxicab owner survey was mailed to 144 Houston taxicab operators. The taxicab driver survey was sent to the president of the United Houstonian Taxicab Drivers Association (“UHTDA”) for distribution among its members.¹⁶ Of the 144 owner surveys, only three were returned, a 2.0% response rate. The UHTDA provided nine group responses. The actual number of taxi driver respondents represented by the nine group responses is unknown.

Based on the very small number of responses, ARA does not believe the survey responses are truly representative of industry costs for Houston taxicabs. Further, the responses received are unaudited and unverified. Therefore, ARA considers the responses too unreliable to form the sole basis for development of a taxi cost profile. Instead, ARA considered the survey responses in conjunction with other data, including weighting of cost index factors applied by other cities and operating cost data (reported on a per mile basis) provided by TLPA.

2. Houston Taxicab Cost Index Components

The resultant Houston TCI is comprised of eight component indices: fuel, vehicle repairs & maintenance, vehicle parts & equipment, vehicle insurance, vehicle depreciation (as reflected in the used cars and trucks index), overall CPI changes for driver returns (profits and wages), and fees and miscellaneous items. Each category is assigned a point value out of 100 possible points. Index weighting in the complete TCI calculation, as developed, is indicated in the following table, Table 7.

¹⁵ Hara Associates, *Calgary Taxi Cost Index*, prepared for the City of Calgary Taxi Limousine Advisory Committee, September 2009; Hara Associates, *Ottawa Taxi Cost Index*, prepared for the City of Ottawa Bylaw and Regulatory Services, August 2011.

¹⁶ Approximately 4,500 taxicab operators and drivers are currently licensed by the City of Houston. UHTDA is the only taxicab driver organization that has approached the City, professing to represent the interests of taxicab drivers in Houston. Therefore, the survey was sent to the UHTDA Board for distribution to their driver membership.

Table 7 — Taxi Cost Index Factors and Weighting		
Fuel	22.0%	CPI – Gasoline (All Types) – Houston-Galveston-Brazoria, TX
Repairs and Maintenance	7.0%	CPI – Motor Vehicle Maintenance - US City Average
Parts and Equipment	7.0%	CPI – Motor Vehicle Parts and Equipment – US City Average
Insurance	6.0%	CPI – Motor Vehicle Insurance - US City Average
Depreciation/Return on Investment	4.0%	CPI – Used Cars and Trucks - City Size A
Driver/Operator Returns — Part I	25.0%	Average Hourly Earnings - Transit and ground transportation - National
Driver/Operator Returns — Part II	25.0%	CPI – All Items - Houston - Galveston - Brazoria, TX
Fees and Miscellaneous	4.0%	CPI – All Items - Houston - Galveston - Brazoria, TX
Total	100.0%	

- a. **Driver/Operators Returns (Profits and Wages)** accounts for 50.0% of the current index review. ARA's recommendation considers the Ottawa and Los Angeles cost profiles in which this component is weighted at approximately 51.0%. According to a working paper prepared by the Transport Research Institute regarding a review of best practices in determining taxi fares, wages are a typical component in the taxi cost model.¹⁷ Wages within the model, relate to the amount of money paid by the driver to her/himself for the operation of the taxi, or more accurately the amount of money left as earnings when other costs have been accounted for.¹⁸ Driver respondents to ARA's survey did not provide an estimate (percentage cost or actual cost) for wages/earnings. Instead, ARA considered the weight applied to the driver operator returns component in the Los Angeles and Ottawa TCI. Similar to Los Angeles, ARA recommends that the 50.0% component for driver earnings be divided into 1) a 25.0% component of overall CPI changes in the Houston/Galveston/Brazoria area to represent inflation changes in the Houston area; and 2) a 25.0% component of the national transit and ground transportation changes in wage earnings.¹⁹
- b. **Fuel Costs** account for 22.0% of the current index review. One of the major operating costs of a taxicab is fuel. Fully capturing the fuel costs in the TCI eliminates the need for a separate fuel cost recovery fee and surcharge, *if regular rate reviews are performed*. The fuel costs are directly related to the operation of a taxi, and are typically included in the TCI. According to the driver survey responses, fuel costs represent approximately 30.0% of total operating costs. The three operator respondents indicated that fuel costs accounted for approximately 2.0%, 52.0% and 31.0% of operating costs. Based on TLPA operating data, ARA estimated fuel costs at approximately 19.0% of operating cost. ARA also considered the weight given to fuel component by other cities – Los Angeles, 18.0% and Ottawa, 23.0%.

¹⁷ Transport Research Institute Taxi Studies Group, *Review of Best Practice, Taxi Tariffs 2011* (Working Paper), Edinburgh Napier University, 8.

¹⁸ *Ibid.*, 21.

¹⁹ According to the driver survey responses received January 16, 2012, permit leases account for approximately 47.0% of the operating costs. ARA did not initially include permit leases as a cost item in the survey. Respondents added this item under other fees. As a result, ARA was unable to verify this information at the time the current report was drafted. Respondents, on the other hand, did not account for driver wages/returns. Since the fee and wage/returns components are represented by overall CPI changes in the Houston/Galveston/Brazoria area, the current profile sufficiently captures lease costs. ARA must also consider both the operator and driver operating models when developing the cost profile.

- c. **Vehicle Repairs and Maintenance/Parts and Equipment Costs** account for a combined 7.0% of the current index review. Vehicle repairs and maintenance are another standard component of the TCI. Maintaining vehicles in a roadworthy state ensures the safety and the comfort of the passenger. Chapter 46 of the Code of Ordinances requires annual inspections of all permitted taxicabs. The purpose of the inspection is to ensure, among other things, that vehicles are in a reasonably good state of repair. According to the driver groups reporting vehicle costs, vehicle repairs and maintenance account for approximately 5.0% of operating costs.²⁰ The three operator respondents indicated that repairs and maintenance costs account for approximately 7.0%, 6.0% and 19.0% of operating costs. Based on TLPA operating data, ARA estimated repairs & maintenance costs at approximately 7.0% of operating costs. ARA also considered the weight given to this component by other cities – Los Angeles, 5.0% and Ottawa – 6.8%, respectively. In order to account for increasing fuel costs, Los Angeles reviewed and adjusted the weights of TCI components. Prior to the adjustment vehicle repairs and maintenance was weighted at 13.0%.

Vehicle Repairs and Maintenance and Vehicle Parts and Equipment are two separate indices captured under the Transportation Index in the CPI. Motor Vehicle Repairs and Maintenance includes vehicle body work, maintenance and servicing, and vehicle repair. Parts and Equipment captures tires, vehicle parts and equipment, motor oil, coolant, and fluid. As a result, ARA recommends including a separate Parts and Equipment component in the Houston TCI. According to the driver groups reporting vehicle costs, vehicle parts and equipment account for approximately 5.0% of operating costs. Owner respondents reported such costs account for approximately 9.0%, 4.0% and 8.0% of operating costs. Based on TLPA data, tires, parts and oil costs account for approximately 8.0%. Los Angeles and Ottawa do not include a parts and equipment component in the TCI. Minneapolis does.

- d. **Depreciation and Return on Investment** accounts for 4.0% of the current index review. Depreciation and Return on Investment is another standard component of the TCI. ARA considered the weight given to this component by other cities – Los Angeles, 3.0% and Ottawa, 3.4%. The driver/ operator survey did not include a separate cost item for depreciation and return on investment.²¹ According to TLPA data, 5.0% of operating costs are allocated to vehicle depreciation.²²
- e. **Insurance Costs** account for 6.0% of the current index review. According to the TRI, insurance costs are a necessary cost in the operation of a taxi.²³ Pursuant to Chapter 46 of the City of Houston Code of Ordinances, insurance is a requirement. Only one driver

²⁰ Leases vary. Lease arrangements may cover vehicle costs including, vehicle repair and maintenance costs. In other instances, the driver may be responsible for such costs.

²¹ When developing the survey, depreciation was not included as a separate cost component. ARA recommends that future surveys include depreciation as a separate component.

²² According to the TLPA, vehicle depreciation costs associated with the independent contractor driver are not reported as a separate cost item. Therefore, the reported 5.0% is based on TLPA operating data reported for a taxicab company with independent contractor drivers.

²³ Transport Research Institute Taxi Studies Group, *Review of Best Practice, Taxi Tariffs 2011* (Working Paper), Edinburgh Napier University, 17.

group reported insurance costs, indicating that such costs account for approximately 8.0% of operating costs. The three operator respondents indicated that insurance costs account for approximately 5.0%, 18.0% and 7.0% of operating costs. Based on TLPA operating data, ARA estimated insurance costs at approximately 6.0% of operating costs. ARA also considered the weight given to this component by other cities – Los Angeles, 6.0% and Ottawa, 6.2%.

- f. **Fees and Miscellaneous Costs** account for 4.0% of the current index review. Costs captured under this component include: municipal licensing and permitting fees, professional service fees (lawyers, accountants, etc.), advertising fees, and other costs. Driver responses indicate fees (other than leases) and miscellaneous costs account for approximately 5.0% of total operating costs. Operators reported approximately 8.0%, 3.0% and 4.0% associated with fees and miscellaneous costs (costs comparable to such costs reported by the driver groups). Los Angeles assigned a 4.0% weight to fees and miscellaneous costs. Ottawa applies a 9.9% weight. The TLPA operating data indicated fees and miscellaneous at approximately 7.0% of operating costs.

B. Houston Taxicab Cost Index vs. Other CPI Factors

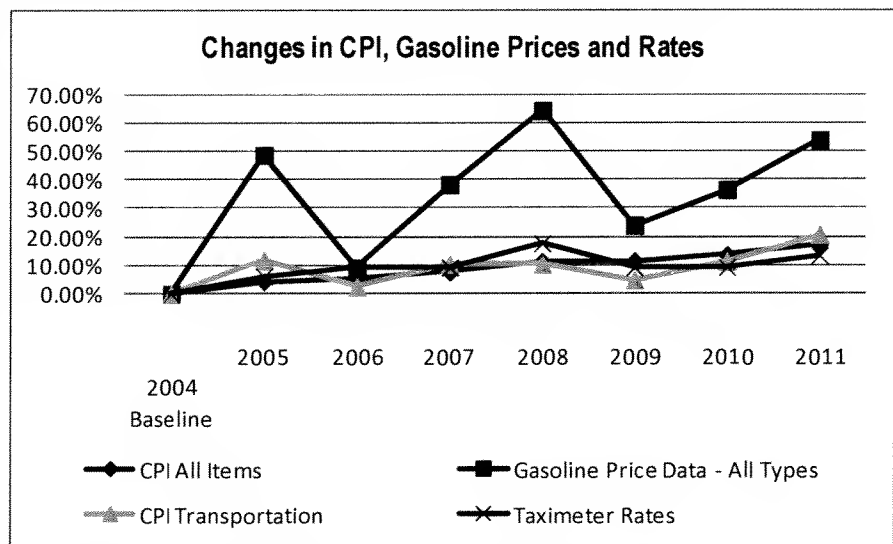
The rate of change in the proposed Houston TCI from October 2004 to October 2011 was examined. ARA compared the changes in the TCI to changes in other consumer price indices and gasoline prices. ARA selected an October 2004 baseline. ARA preferred to use a November 2004 baseline, the period used to assess the 2005 taxicab meter rate increase. However, regional CPI data is not available for November. Regional CPI data are published bi-monthly.²⁴ An October 2006 baseline is used for the fuel price comparison. The 2006 fuel price baseline represents the period in which the fuel cost recovery fee/fuel surcharge became effective. Table 8 illustrates the changes for the overall proposed Houston TCI, as well as changes in the CPI All Items Index, Transportation Index, and Gasoline Price Data for the Houston/Galveston/Brazoria area.

Table 8 — Houston TCI Index Changes		
Index for Comparison	Baseline	October 2011
Houston Taxi Cost Index	100% October 2004 baseline (ref: 100.00)	27.31% above baseline (ref: 127.31)
CPI - All Urban Consumers - All Items - Houston/Galveston/Brazoria	100% October 2004 baseline (ref: 171.80)	17.23% above baseline (ref: 201.40)
CPI - Gasoline Price Data - (All Types) - Houston/Galveston/Brazoria	100% October 2006 baseline \$2.10/gallon	53.76% above baseline \$3.23/gallon
CPI – Transportation – Houston/Galveston/Brazoria	100% October 2004 baseline (ref: 152.70)	20.63% above baseline (ref: 184.20)

²⁴ At the time the report was prepared, December CPI data was not yet available.

Based on the October 2004 baseline the Houston TCI increased by 27.31%. The Houston TCI increase correlates to a 17.23% All Items Index and a 20.63% Transportation Index increase for the Houston area. Also noted in the chart above is a 53.76% increase in fuel costs since the fuel cost recovery fee/fuel surcharge was implemented in 2006.

The TCI provides for a higher rate recommendation than the All Items and Transportation Indices for the Houston area. This is because the Houston TCI maintains a higher weighting for certain costs, such as the cost of fuel, than the general CPI review and the Transportation review. The Transportation Index is a more specific index than the All Items Index, and only includes transportation items such as vehicle purchase and lease, vehicle parts and equipment, vehicle maintenance and repair, vehicle insurance, vehicle fees, and all motor fuels. However, the Transportation Index does not fully realize the significance of gasoline costs in the overall cost of doing business in the taxicab industry. Fuel is a major cost associated with operating a taxicab. Movement in the various consumer price indices and in gasoline prices from October 2004 to October 2011 is included in the graph to the right.



Basing our proposed rate increase on the developed Houston TCI increase – 27.31%, the rate for a five-mile trip increases to \$14.26 from the current rate of \$11.20.²⁵ Houston's TCI-based rate falls slightly below the \$14.60 nationwide cities' average, and would be the highest among the Texas cities' rates. Houston's proposed TCI rate is only slightly higher than San Antonio's \$14.25 trip fare, and only 2.0% higher than Austin's current rate of \$14.00. However, Austin's rates will increase in March 2012, as a result of a three phase rate increase resulting from the 2010 rate review. The 2012 increase will place Austin's rates at the highest level among the Texas cities surveyed with a rate of \$14.50 for a five-mile trip.

Houston's proposed TCI rates capture the increases in fuel costs, since implementation of the fuel cost recovery fee and fuel surcharge. The proposed TCI rates true-up costs, absorbing the current fuel cost recovery fee and fuel surcharge into the overall rate. As a result, a separate fuel cost recovery fee and surcharge is no longer necessary – assuming ARA's recommendation for an annual rate review is also adopted.

²⁵ The Houston taxicab industry compares rates based on a six-mile trip, which would increase the fare from \$13.00 to \$16.55. This is based on industry information regarding the average trip length for a non-airport trip in Houston. Most other cities compare and report rates based on a five-mile trip. Consistency with other cities, when comparing rates on a city by city basis allowed for easier verification of rate information.

Alternatively, ARA also looked at the change in the rate if the analysis was limited to increasing rates by only the change in the CPI - All Items Index. A review of the All Items Index results in an increase of only 17.23% and would result in a rate of \$13.13, instead of the Houston TCI-based 27.31% increase to \$14.26 for a five-mile trip. The All Items Index-derived rate of \$13.13 falls just below the Texas cities' average rate of \$13.21, and is 10.0% lower than the nationwide cities' average, indicating the All Items Index does not adequately capture the taxicab industry-specific costs.

Similarly, ARA reviewed the change in rate if the analysis was limited to increasing rates by the change in the Transportation Index since 2004. A review of this Index results in a rate increase of 20.63%, producing a rate of \$13.51 for a five-mile trip. The Transportation Index based rate falls slightly above the Texas cities' average rate, and 7.46% below the nationwide cities' average, indicating this rate is a slightly better indicator of changes in costs for our taxicab industry, but still not capturing the appropriate weights of the various costs.

Conclusion: The proposed Houston TCI best reflects the costs associated with operating a taxicab in Houston. The TCI indicates a higher weighting for certain costs, such as the cost of fuel, than the general All Items and Transportation Indices. Gasoline prices, according to the CPI gasoline price data, increased by 53.76% from October 2004 to October 2006. Comparing the proposed TCI rate of \$14.26 for a five-mile trip to other U.S. major cities and the Texas cities surveyed, the proposed rate appears reasonable. The TCI proposed rate falls slightly below the nationwide cities' average, and essentially ties Houston's rate with that of San Antonio as the highest (second highest once Austin implements the third phased-in rate increase in 2012) among the Texas cities surveyed.

TAXICAB INDUSTRY PROPOSALS AND STAKEHOLDER FEEDBACK

Fourth and final among ARA's methods for determining an appropriate change in the taximeter rates is a review of industry proposals and Stakeholder feedback. ARA received two rate proposals from the industry – from the Greater Houston Transportation Company DBA Yellow Cab ("GHTC") and from 444 Taxi. GHTC submitted an application for Amendment of Section 46-31 of the Code of Ordinances to Increase the Authorized Schedule of Taxicab Fares and Charges (Application) on January 18, 2012 (*see Exhibit V, "Greater Houston Transportation Company dba Yellow Cab Application for Amendment of Section 46-31 of the Code of Ordinances to Increase the Authorized Schedule of Taxicab Fares and Charges."*) The proposal from 444 Taxi was a more informal request via e-mail. The rate schedule proposed by 444 Taxi is included as **Exhibit VI, "Rate Proposal from 444 Taxi."**

In addition, to the industry rate proposals, ARA also conducted a public Taxicab Stakeholder Meeting on February 3, 2012 to present the results of ARA's rate review and solicit feedback from the industry. Approximately 4,500 taxicab operators and drivers were invited to the meeting and only 48 attended. As indicated previously, the Houston TCI indicated an increase of 27.31% since the date of the last rate review. ARA recognized that such an increase needs to be weighed against other factors that affect the taxicab industry such as competition from other available modes of public transportation, thus, stakeholder feedback was essential in developing a final rate recommendation. The comments from the Stakeholders are presented in **Exhibit VII, "Comments from Taxicab Stakeholders Resulting from the February 3, 2012 Taxicab Stakeholder Meeting"**.

Following is a summary of the two taxicab industry rate proposals as well as the Stakeholder comments:

A. Greater Houston Transportation Company Rate Increase Request

As stated previously, GHTC made a formal request for a rate increase on January 18, 2012. According to GHTC's application, the company is requesting an increase in the overall taxicab meter rates. Based on the Company's proposed fare schedule, using the current fare rates **inclusive** of the fuel surcharge, the rate for a five-mile trip would increase by 12.8%, and the rate for the industry standard six-mile trip by 13.5%. Yellow Cab's proposed fare schedule is as follows:

- Flag Drop: \$2.75 (current rate: \$2.50)
- Mileage rate: \$2.20 per mile/\$0.20 each 1/11 mile (current rate: \$1.80 per mile/\$0.30 each 1/6 mile or current rate with fuel fee/surcharge: \$1.87 per mile/\$0.17 each additional 1/11 of a mile)
- Waiting time: \$24.00 (current rate: \$20.00).

In determining the proposed rates, GHTC considered changes in specific consumer price indices and the per gallon price of gasoline. GHTC selected a November 2004 baseline, the period used to assess the 2005 taxicab meter rate increase. For each cost factor, the baseline was measured against a different month in 2011. In addition, GHTC reviewed taxicab meter rates in major U.S. cities and other Texas cities. The company also references changes in certain cost components such as the cost of vehicles. However, supporting documentation was not included.

GHTC's comments in response to February 3, 2012 Public Meeting: Following the February 3rd meeting and presentation of ARA's recommended rates, GHTC indicated that it supported ARA's recommendation; however, as the City of Houston is also considering allowing a convenience charge to be assessed for the installation of desired GPS/credit card equipment in each taxicab, GHTC believes the resulting rate increase would be too high. As a result, GHTC proposes acceptance of their lower proposal instead.

B. 444 Taxi Company Rate Increase Request

Like GHTC, 444 Taxi also submitted a request to increase rates. However, the request was more informal. Based on the company's submission, ARA was unable to determine the proposed fee schedule. In addition, ARA was unable to ascertain the method applied by 444 Taxi in determining the proposed rates. However, based on the Company's proposed fares, the rate for a five-mile trip would increase by 13.21%, and the rate for a six-mile trip by 12.92% from the 2005 base rates, or by approximately 6% from the 2006 rates that includes the fuel fee/surcharge. The company's submission also included a summary of taxi rates for major U.S. cities.

444 Taxi's comments in response to February 3, 2012 Public Meeting: Following the February 3rd meeting and presentation of ARA's recommended rates, 444 Taxi indicated they supported ARA's recommendation, but suggested the increase was so high that the City should implement a phased-in rate structure over a multi-year period. Additional comments included:

- Minimum rates for all trips originating from IAH should be in the \$12.00 to \$15.00 range;
- Additional Passenger fees should only apply to trips originating at IAH;
- Lease rates will increase in conjunction with a taxicab meter rate increase.

Conclusion: Both company proposals favor a lesser increase than that proposed by the City, ranging from approximately 5% to 13% for the average five- and six-mile trip of approximately 13%.

C. Other Industry Comments received during or subsequent to the February 3, 2012 Taxicab Stakeholder Meeting

1. **Houston Transportation Services, LLC aka Lonestar** – Houston Transportation Services, LLC reviewed the City's and Yellow Cab's proposed fare structure. Houston Transportation Services support the fare structure proposed by GHTC. If the City considers something more than the structure proposed by GHTC, the HTS recommends rates not be set more than 2.0 to 3.0% higher to avoid industry customer losses to other forms of public transportation.
2. **Greater Houston Small Cab Co. Owners Association** – The Association is also requesting a taxicab rate increase. The Association indicated that proposed rates should account for increases in permit fees, vehicle prices, and vehicle costs and other consumer goods and services. Additional recommendations include:
 - Increase the downtown flat rate to \$10.00 per trip;
 - Match the zone rate to the maximum meter rates;
 - Establish an additional passenger fee of \$2.50 to \$3.00 per passenger.
 - Zone rates need to be measured by the meter and the maximum meter rate should be the zone rate;
 - Include an additional passenger fee (\$2.00 to \$3.00/person);
 - Proposed meter/zone rates look unbalanced. Increases in sample trips varied – some added 22.0% and some 20.0%.
3. **United Houstonian Taxicab Drivers Association** – According to comments received from the UHTDA, approximately 68% of its members support an increase in taxicab meter rates. Reasons for supporting the increase included increases in the cost of living, permit leases and gas prices. Additional comments include:
 - Establish a zone rate \$2.00 above the meter rate;
 - Expand the zones to include such areas as the Woodlands, Sugarland, Webster, Katy, Magnolia and Conroe;
 - Certain Zones such as Zone 3 and Zone 1 show large rate variations in meter rate versus flat rate costs;
 - In the event the preceding recommendations are not adopted, apply the flat rate to the Medical Center, Downtown, Galleria and known hotels only;
 - Include an additional passenger fee above one passenger; and

- Eliminate additional fees such as the fuel surcharge, nighttime surcharge and other hidden fees.
 - Establish a zone rate at least \$1.00 above the meter rate (contradicting an earlier statement calling for a rate \$2.00 above the meter rate);
 - Zone rates must be in range intervals instead of a single figure;
 - The City should drive the zones in order to establish the meter rate with zone rate. UHTDA volunteers taxi service to assist in driving the zones.
4. **The Association of Taxicab Owners and Drivers** – This Association stated that it reviewed both the City’s and the two alternate industry rate proposals. As a result of that review, the Association of Taxicab Owners and Drivers supports the City’s proposal. Additional comments include:
- Zone rates should be restricted to individual and popular areas;
 - There should be an Additional Passenger charge of \$3.00 per passenger;
 - There should be an Excess Baggage charge of \$3.00 to \$5.00 per bag;
 - Reject \$0.50 fuel surcharge;
 - According to a survey of other cities including Dallas, New Orleans, Chicago and Philadelphia, ordinances allow drivers to assess the higher of the meter rate or the zone rate, whereas Houston requires drivers to charge the lower of the two.
5. **Comments and Concerns During Taxicab Stakeholder Meeting, February 3, 2012** – As stated previously, ARA mailed approximately 4,500 invitations to taxicab owners and drivers to participate in the February 3, 2012 Stakeholder Meeting. Only 48 Stakeholders attended.

During the meeting, in general, the industry members present did not express opposition to the recommended rate increase, the proposed method for determining rates, or the proposed rate structure. The majority of attendees were drivers or small company operators who expressed their views through Associations subsequent to the meeting. Issues raised during the meeting included the following (*note that the following concerns were raised during the public meeting by individual speakers and may not represent the interests of the entire industry*):

- Trip Cannibalization by other Industries: certain participants expressed concern that the increase would result in a loss of service (demand) to other transportation industries, mainly limousines.
- Allow for Additional Passenger and excess luggage surcharges: certain participants requested that an additional passenger surcharge and luggage surcharge be incorporated into the overall rate structure.
- Eliminate the fuel surcharge: certain participants supported the recommendation to absorb the fuel cost recovery fee and surcharge directly into taxicab meter rates, and to eliminate the fuel surcharge completely. These speakers indicated that the fuel surcharge is not applied consistently. In some instances passengers may be overcharged and in other

instances the driver eats the amount of the surcharge in hopes of a greater gratuity. In most instances, the fuel surcharge is not applied to the overall fare.

- **Impose Lease caps:** certain participants expressed concern about potential increases in lease rates following a taxicab meter rate increase. Speakers indicated that if lease rates increase, drivers would not benefit from the proposed meter rate increase, and therefore, would not support such an increase.

6. ARA's Response to Industry Rate Proposals and Industry Comments

- **Requests for rate increase.** ARA's current taxicab meter rate review was initiated in response to the industry's request for increased taxicab meter rates. According to ARA's review, a taxicab meter rate increase is appropriate at this time. ARA's proposed rates reflect inflation and cost of living changes, more specifically, changes in costs associated with operating a taxicab in Houston.
- **GHTC's rate proposal.** ARA believes that the rates proposed by GHTC do not offer the industry full cost recovery. However, ARA acknowledges that many industry participants in the Stakeholder meeting and subsequent to it have raised concerns about the magnitude of the City's proposed increase. Of the large company operators, six of the seven support GHTC's lower proposal, citing competition from the limousine industry and concerns with the City's proposed equipment requirements that will further raise the effective meter rate. Although ARA's proposal is better supported by the available independent market data, ARA defers to the industry's concerns and, in the spirit of compromise, is recommending adoption of the GHTC's counter-proposal.
- **Houston Transportation Services indicated support of the GHTC's rate proposal.** However, HTS also indicated that if the City opted to implement a higher rate, that rate should not be more than 2.0% to 3.0% higher than the GHTC proposed rate. ARA notes that based on the proposed fare for a five-mile trip, ARA's proposed rate is only 3.17% higher than GHTC's, just slightly outside the desired range indicated by HTS.
- **444 Taxi's Rate Proposal.** ARA believes that the rates proposed by 444 Taxi do not offer the industry full cost recovery. However, ARA acknowledges that many industry participants in the Stakeholder meeting and subsequent to it have raised concerns about the magnitude of the City's proposed increase. Of the large company operators, six of the seven support GHTC's proposal, while one, 444 Taxi, supports this proposal. ARA notes that both the GHTC proposal and the 444 Taxi proposal recommend a lesser increase than that proposed by the City. The 444 Taxi proposal is an approximate 6% increase in the rate for the average five- to six-mile trip. Following the February 3, 2012, meeting 444 Taxi indicated support for ARA's proposed rates but only if they were phased in over multiple years.
- **Phased-in rates.** ARA considered this approach. However, ARA does not support a phased-in approach for the following reasons:

- 1) According to the industry, immediately following a rate increase, demand drops slightly, eventually recovering after a short period. A one-time increase mitigates the overall impact on demand.
 - 2) The increase will serve to offset the cost impact of recommended technology-based service enhancements in Houston taxicabs, which ARA proposes to implement this calendar year. The industry will be responsible for the overall cost of certain enhancements. The service enhancements are generally supported by the industry, in conjunction with the rate increase.
 - 3) ARA is proposing that taxicab rates be reviewed on a regular basis – annually – using a standard taxi cost index. If adopted, the current rates and TCI factors will serve as the baseline for the next review. Implementing a phased-in approach would delay the initial review period. Shorter review periods mitigate the overall impact to the customer, reducing overall subsequent increases. ARA is concerned that a delayed review could, once again, result in a substantial increase.
- **Increase Downtown Flat Rate:** “Six in the City” is a promotional flat rate established to improve circulation and mobility downtown. Based on the average distance of a downtown trip, the metered rate falls approximately 32.0% below the \$6.00 Six in the City flat rate. As a result, ARA does not support increasing the downtown flat rate fare at this time.
 - **Zone Rates (match to maximum meter rates/establish a zone rate \$1.00/\$2.00 above meter rate/ variations in meter versus flat rates/ establish a minimum rate/ restricted to individual and popular areas/ allow drivers to assess the higher of the meter rate versus the flat rate/ zone rates should be set as a range/ drive the zones for an accurate mileage reading):** The City establishes the taxicab meter rates and flat rates for trips originating within the city of Houston. Zone rates are set from the center or most frequent destination in a zone and typically total a minimum of approximately 90% of the metered rate for that area, although the correlation to the metered rate will be lower from other, distant parts of the zone, and higher from other, nearby points. The zone rates are imposed for trips between Houston’s two major airports (George Bush Intercontinental Airport and Houston Hobby Airport). ARA’s Regulatory Affairs Transportation Section, as part of the study, simulated zone trips in order to assess the mileage.

Pursuant to the requirements of Chapter 46, taxi drivers must charge the lesser of the meter rate or zone rate. According to the comments submitted, Chicago, Philadelphia and Dallas allow drivers to assess the higher of the meter rate or the flat rate. ARA contacted all three cities to verify this information. While Philadelphia and Dallas had not responded as of the date of publication of this study, Chicago responded that the information is incorrect. Chicago, like Houston, requires drivers to charge the lesser of the zone or meter rate. ARA also notes that Chicago’s ordinance allows drivers to assess the meter rate for trips from the airport to the suburbs (trips outside the City of Chicago’s boundaries).

ARA does not agree with the suggestion to establish a rate range for zone rates for the following reasons: 1) drivers would likely assess the maximum rate in the range anyway, effectively creating a flat rate at the high end; 2) flat rates are designed to allow the riding public to know the cost of an airport trip in advance and allow them to make an informed choice when comparing the charges for different types of public transportation in Houston.

- **Expand the zones to include such areas as the Woodlands, Sugarland, Webster, Katy, Magnolia and Conroe.** The overall intent of airport zones is to protect customers traveling to and from the airport against drivers who would consider taking a longer route than necessary, and to provide accurate fare data in advance of a trip to allow visitors to make informed choices. Currently, data is not available regarding the overall demand from the airport to the indicated areas. The distance between IAH to the Woodlands Mall is approximately 22 miles, resulting in an approximate metered fare of \$44.00 and a proposed rate of approximately \$53.00. The distance to City of Sugarland City Hall and HOU is approximately 24 miles, resulting in an approximate metered fare of \$48.00 and a proposed rate of approximately \$60.00. ARA recommends considering this recommendation at a time sufficient demand data becomes available.
- **Apply the flat rate to the Medical Center, Downtown, Galleria and known hotels only.** The overall intent of airport zones is to protect customers traveling to and from the airport against drivers who would consider taking a longer route than necessary, and to provide accurate fare data in advance of a trip to allow visitors to make informed choices. Visitors to Houston frequently travel to destinations beyond those noted, thus, the existing 21 zone rates provide the necessary flexibility in destination and known fares to those destinations. Note: this recommendation was submitted by UHTDA in the event that other zone recommendations were not accepted.
- **Additional Passenger Fee:** As part of the U.S. and Texas City Survey of Taxicab Meter Rates, ARA requested information regarding any additional fees. Based on the results, less than half, or 12 of the 26 respondents, allow an additional passenger fee. Four of the 12 reported a \$2.00 additional passenger fee (including Dallas and Fort Worth). The remaining eight reported fees ranging from \$1.00 and below – three reported a \$1.00 fee; one reported a \$1.00 fee for the added passenger and \$0.50 for the third passenger; two reported a \$0.50 passenger fee; and one a \$0.60 passenger fee. One respondent reported a \$1.00 additional passenger fee applied to trips to and from the airport. Four of the 12 applied the fee to additional passengers over two passengers.

Of the Texas cities surveyed, three applied an additional passenger fee – Dallas, Fort Worth, and El Paso. Corpus Christi reported an additional passenger fee applied to airport trips. Dallas and Fort Worth allow a \$2.00 fee; while Corpus Christ and El Paso reported a \$0.50 surcharge from one to five passengers and \$0.60 additional person, respectively.

Recommendation: Based on the review, ARA does not recommend incorporating an additional passenger fee. Considering the Texas cities survey, cities with the highest rates – San Antonio and Austin, limit additional fees to a nighttime fee (San Antonio) and a fuel surcharge (both). If ARA's proposed rates are adopted, Houston's rates will be the highest among the Texas cities surveyed (and the second highest once Austin implements the final phased-in increase in March 2012.) ARA also notes that among the U.S. cities surveyed, cities implementing an additional passenger fee, are among the cities ranked 10 to 26 (ranking is highest to lowest based on the rates for a five mile trip).

- **Eliminate additional fee such as the fuel surcharge, nighttime surcharge and other hidden fees.** ARA agrees with this recommendation. ARA recommends eliminating the fuel cost recovery fee and fuel surcharge by incorporating them into the base charge as has been done in ARA's recommended rate structure as well as the two industry proposals. The nighttime surcharge was introduced in the 1992 rate proceeding and was justified based on the demand statistics available at that time. ARA recommends revisiting the nighttime surcharge once sufficient demand data is available for review.
- **Reduced demand.** Concerns were directed at the potential loss of trips to the limousine industry. ARA is initiating a review of limousine rates in response to this concern.
- **Luggage Surcharge.** As part of the U.S. and Texas City Survey of Taxicab Meter Rates, ARA requested information regarding additional fees. Based on the results, only two cities reported a luggage surcharge – El Paso and Milwaukee. As a result, ARA does not support this recommendation.
- **Leases.** The City of Houston does not regulate leases, and therefore, does not establish lease caps. The City has considered this issue in the past. The City does not interfere, in contractual agreements between the independent contractor drivers and the permittees.
- **Increases in proposed vs. current fares result in different overall increases.** Two rate components are increasing at different percentage rates. The base charge (flag drop) and usage rate (additional mile increments based on 1/11 of a mile). This combination tilts the rate design. Essentially, as usage increases (the mileage rate increases), the percentage increase will also increase. If the increase in the drop rate and the incremental mileage rate remained uniform, the overall trip rate increase would have remained uniform as well. A higher drop rate penalizes the short-trip customer. ARA's discussions with industry members indicate that short-trip customers are usually senior citizens and others who live on fixed or low incomes and suffer most from meter rate increases. The proposed rate design places a greater cost on the additional mile increments, resulting in a larger percentage increase for longer trips.

REVIEW SUMMARY

ARA initiated this Taxicab Rate Study in response to a request by the taxicab industry for an increase in taxicab meter rates. The current taxicab meter rates have been in place since 2005. The rate review included a survey of current taximeter rates in major U.S. and Texas cities; a nationwide survey of city methods and best practices related to establishing and setting rates; and a consumer price index review – including a review specific to the costs associated with operating a taxicab. The latter review resulted in the development of a Houston Taxicab Cost Index (“TCI”) that can be applied as a standard method for rate reviews going forward. The review also included a taxicab operator and driver survey and a review related studies and available literature. A summary of the results of our review is as follows:

- **Houston’s taxicab meter rates vs. other U.S. and Texas Cities.** More than half the cities surveyed last increased rates between 2008 and 2011 to reflect inflation and cost of living changes. However, Houston’s rates have not been modified since 2005 although the overall cost of living continued to steadily increase. Houston’s current rate for a five-mile trip, inclusive of fuel surcharges, is the lowest of both the Texas and U.S. Cities surveyed. San Antonio’s rates are the highest at \$14.25, followed by Austin with a \$14.00 fare. Houston’s current rate of \$12.01 is 21.98% lower than the \$14.65 U.S. cities average rate for a five-mile trip. Based on this survey, a rate increase is indicated.
- **Nationwide City Methods and Best Practices Survey.** While rate review methods vary between cities, the standard practice among cities is to include a city rate comparison in the review. The review is either the primary method or used in conjunction with another method such as the consumer price index review. The CPI review is another standard review method, and the primary method used by several cities. Cities seeking to review rates on a regular basis use some type of consumer price index review – based on a single, usually regional component, or a blend of several different components including fuel. The TCI, as implemented in Los Angeles, Calgary and Ottawa, presents a solution that is consistent, easy to understand, justifiable, and economical. The TCI also considers the cost of doing business in the taxicab industry.
- **Taxicab Cost Index vs. Other CPI Factors.** Applying the change in the TCI results in an increase of 27.31% – \$11.20 to \$14.26 for a five-mile trip. Changes in the Transportation and All Items index would result in a 20.63% and 17.23% increase, respectively. The TCI best reflects the costs associated with operating a taxicab in Houston. The TCI maintains a higher weighting for certain costs, such as the cost of fuel, than the general All Items and Transportation Index. The Proposed TCI rate of \$14.26 falls slightly below the nationwide cities’ average and ties Houston’s rate with that of San Antonio as the highest (second highest once Austin implements its third phased-in rate increase in 2012) among the Texas cities surveyed. Based on the application of a Houston TCI, a rate increase is indicated.
- **Review of Taxicab Industry Requests, Proposals and Comments.** Two industry proposals for a rate increase were received. Both proposals recommended increases lower than ARA’s – 6% and 13%, respectively, for the average five- to six-mile trip.

Based on the February 3, 2012 stakeholder meeting and follow-up comments, in general, the industry supports an increase in rates. Requests for an additional passenger fee and luggage fee, elimination of the nighttime fee, and an increase in the downtown flat rate were considered, and explored further. As outlined in Section IV, ARA does not recommend implementing these changes at this time. ARA also explored and responded to additional concerns and recommendations, which are outlined further in Section IV.

CONCLUSION AND RECOMMENDATIONS

Based on the foregoing analysis, ARA determined that a taxicab meter rate increase is appropriate and necessary at this time. The Houston Taxicab Cost Index indicates costs have increased by 27.31% since the date of the last review. Applying the recommended increase to existing taxicab rates results in an increase of approximately 16% to 17% to the cost of an average five- to six-mile trip.

However, ARA acknowledges that many industry participants in the Stakeholder meeting and subsequent to it have raised concerns about the magnitude of the City's proposed increase. Of the large company operators, six of the seven support GHTC's lower proposal, citing competition from the limousine industry and concerns with the City's proposed equipment requirements that will further raise the effective meter rate. Although ARA's proposal is better supported by the available independent market data, ARA defers to the industry's concerns and, in the spirit of compromise, is recommending adoption of the industry's counter-proposal, which results in an increase to the average five- to six-mile trip of approximately 13%. To implement this increase, ARA recommends the following proposed rate structure.

- **Rate Structure:** ARA proposes increasing the proposed flag rate by \$0.25, from \$2.50 to \$2.75. Initially, ARA recommended rolling the current \$0.50 fuel surcharge per trip into the flag drop. Absorbing the per trip fuel surcharge into the flag drop is an approach taken by several cities including Chicago and Philadelphia, since the public is already accustomed to paying the fee. However, comparing the proposed rate to drop rates applied in other cities, the proposed rate appeared too high. In addition, the industry indicated that drivers sometimes elect not to apply the fuel surcharge to the overall fare. ARA last increased the drop rate in 2001, approximately 11 years ago. A drop rate that is too low discourages drivers from accommodating shorter trips. Based on industry response to the rate proposals, the increase in the drop rate to \$2.75 is believed to be appropriate.

ARA proposes increasing the mileage charge by \$0.40, from \$1.80 to \$2.20 per mile. As with the drop rate, the mileage rate absorbs the remaining fuel surcharge and the cost recovery fee. The overall proposed fare schedule is as follows: \$2.75 first 1/11 mile and \$2.20 each additional mile (\$0.20 each additional 1/11 mile). The proposed rates versus the current rates are outlined in Table 9 which follows. *The table outlines the change between the rates currently in effect inclusive of the fuel surcharge and the proposed rates (the direct customer impact).*

Table 9. Current vs. Proposed Rates							
Fare Schedule			Sample Meter Fares — Non Airport, Daytime Trips				
Current Baseline (no fuel fee/surcharge)	Current (w/fuel fee and surcharge)	Proposed (absorb fuel fee/surcharge)	Trip Distance	Current Baseline	Current (fuel fee/surcharge)	Proposed	% Change Current (inclusive of fuel fee/surcharge) vs. Proposed
Daytime Mileage Rate	Daytime Mileage Rate	Daytime Mileage Rate	1 Mile	\$4.00	\$4.03	\$4.75	17.87%
\$2.50 first 1/6 mile	\$2.50 first 2/11 mile	\$2.75 first 1/11 mile	2 Mile	\$5.80	\$5.90	\$6.95	17.80%
\$1.80/additional mile	\$1.87/additional mile	\$2.20/additional mile	3 Mile	\$7.60	\$8.27	\$9.15	10.64%
(\$0.30/additional 1/6 mile)	(\$0.17/additional 1/11 mile)	(\$0.20/additional 1/11 mile)	4 Mile	\$9.40	\$10.14	\$11.35	11.93%
Nighttime Mileage Rate	Nighttime Mileage Rate	Nighttime Mileage Rate	5 Mile	\$11.20	\$12.01	\$13.55	12.82%
\$3.50 first 1/6 mile	\$3.50 first 2/11 mile	\$3.75 first 1/11 mile	6 Mile	\$13.00	\$13.88	\$15.75	13.47%
\$1.80/additional mile	\$1.87/additional mile	\$2.20/additional mile	10 Mile	\$20.20	\$21.36	\$24.55	14.93%
(\$0.30/additional 1/6 mile)	(\$0.17/additional 1/11 mile)	(\$0.20/additional 1/11 mile)	15 Mile	\$29.20	\$30.71	\$35.55	15.76%
Waiting Time	Per Trip Fuel Surcharge	Waiting Time	20 Mile	\$38.20	\$40.06	\$46.55	16.20%
\$20.00 per hour	(trips longer than 2 miles)	\$24.00 per hour					
	\$0.50 per trip						
	Waiting Time						
	\$20.00 per hour						

Applying the compromise rate structure results in a fare increase lower than the 27.31% TCI-determined increase. The proposed rates result in a \$13.55 five-mile trip fare and a \$15.75 six-mile trip fare. As a result, the riding public will notice a 12.82% and 13.47% increase in the fare for a five and six mile trip, respectively.

The proposed drop charge falls among the highest of the Texas cities surveyed and in the top tier of the national cities surveyed (8 of 26). Houston's proposed \$2.20 per mile rate would be the fifth highest among the Texas cities surveyed. The proposed per mile rate falls well below the national cities average of \$2.37 per mile.

- Adoption of the Taxi Cost Index and Regular Rate Reviews.** ARA recommends adopting the Houston Taxi Cost Index as the primary method for reviewing and adjusting taxicab meter rates. In addition, ARA recommends an annual review of taxicab meter rates using the recommended TCI. Regular review ensures the City meets its obligation to provide for a just and reasonable rate of return by responding to changes in cost conditions with rate increases that are small and easy to manage by the City, operators and consumers. Providing a standard, streamlined approach that is easily applied, understandable, and economical, allows staff to track inflation and cost of living increases on a regular basis, similar to the current practice for determining non-consent tow rates. ARA recommends annual review with a minimum threshold for change at 5% and an automatic change every three years. As with non-consent tow rates, the industry could request, and pay for, a complete Taxicab Rate Study, or one could be initiated by ARA at any time. The industry did not express opposition to the adoption of the TCI and regular rate reviews.
- Amending the Fuel Cost Recovery Fee and Fuel Surcharge.** ARA recommends eliminating the current fuel cost recovery fee and fuel surcharge. The proposed TCI rate captures increases in fuel costs since 2006, when the fuel cost recovery fee and fuel surcharge were adopted. The industry supports elimination of the fuel cost recovery fee and fuel surcharge. ARA recommends including a provision allowing for fuel surcharges in the event of drastic gasoline price increases.

City of Houston



Administration &
Regulatory Affairs

Exhibit I
City of Houston Ordinance No. 2005-940

City of Houston, Texas, Ordinance No. 2005- 940

AN ORDINANCE AMENDING CHAPTER 46 OF THE CODE OF ORDINANCES, HOUSTON, TEXAS, RELATING TO VEHICLES FOR HIRE; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; CONTAINING A SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That Items (1) through (5) of Subsection (a) of Section 46-31 of the Code of Ordinances, Houston, Texas, are hereby amended to read as follows:

- "(1) *Daytime metered travel.* For daytime trips, the metered travel fee shall be \$2.50 for the first one-sixth of a mile or less plus \$0.30 for each additional one-sixth of a mile or less.
- (2) *Nighttime metered travel.* For nighttime trips, the metered travel fee shall be \$3.50 for the first one-sixth of a mile or less plus \$0.30 for each additional one-sixth of a mile or less.
- (3) *IAH flat rates.* Alternative flat rates shall be imposed for trips between George Bush Intercontinental Airport/Houston (IAH) and its geographic zones I through X, as follows:

Zone	Daytime Trip Flat Rate	Nighttime Trip Flat Rate
I	\$36.50	\$37.50
II	43.00	44.00
III	49.50	50.50
IV	53.50	54.50
V	60.00	61.00
VI	66.50	67.50
VII	71.50	72.50
VIII	85.50	86.50

IX	27.50	28.50
X	33.50	34.50

Provided that the lesser of the applicable flat rate or the actual metered rate shall be charged. A copy of the zone map for IAH taxicab rates is on file for public inspection in the office of the city secretary. The centers of the streets and geographic features noted thereon as boundary lines shall determine boundaries between adjacent zones. The foregoing rates are inclusive of airport use fees, which may be additionally imposed on metered fares but not on flat rate fares.

- (4) *HOU flat rates.* Alternative flat rates shall be imposed for trips between William P. Hobby Airport (HOU) and its geographic zones I through XI, as follows:

Zone	Daytime Trip Flat Rate	Nighttime Trip Flat Rate
I	\$26.00	\$27.00
II	21.50	22.50
III	31.50	32.50
IV	44.00	45.00
V	50.00	51.00
VI	57.00	58.00
VII	65.00	66.00
VIII	58.00	59.00
IX	30.00	31.00
X	70.00	71.00
XI	65.00	66.00

Provided that the lesser of the applicable flat rate or the actual metered rate shall be charged. A copy of the zone map for HOU taxicab rates is on file for public inspection in the office of the city secretary. The centers of the streets and geographic features noted

thereon as boundary lines shall determine boundaries between adjacent zones. The foregoing rates are inclusive of airport use fees, which may be additionally imposed on metered fares but not on flat rate fares.

- (5) *Waiting time.* An amount not to exceed \$20 per hour may be charged for waiting time, provided the clock on the taximeter is set and regulated at a rate not to exceed \$20 per hour."

Section 2. That Section 46-191 of the Code of Ordinances, Houston, Texas, is hereby amended by amending the definitions of the terms *chauffeured limousine* and *extended body* to read as follows:

"*Chauffeured limousine* shall mean:

- a. A sedan-type luxury motor vehicle with a passenger capacity of five or six persons (including the driver), which vehicle is either less than or equal to six years of age;
- b. An extended-body type motor vehicle with a passenger capacity of no more than 15 persons (including the driver), which vehicle is either less than or equal to ten years of age and modified to extend its original factory wheelbase by 40 inches or more in conformity with Federal Motor Vehicle Safety Standard requirements.
- c. A vehicle that is classified in the United States Environmental Protection Agency's annual Fuel Economy Guide as a sport utility vehicle that (i) has a passenger capacity of not less than six persons nor more than nine persons, including the driver, (ii) has a manufacturer's suggested base retail selling price of not less than that of a two wheel drive Ford Expedition, excluding the cost of any manufacturer installed options or of any modifications or conversions that were made by other persons following the original assembly of the vehicle by the manufacturer, and (iii) is either less than or equal to six years of age;
- d. A van with a manufacturer's rated passenger capacity of 15 persons (including the driver), which vehicle is less than or equal to seven years of age; or

- e. An antique, classic, or special interest vehicle.

For the purposes of this article, 'antique' shall mean a vehicle that is 25 years old or older; 'classic' shall mean a vehicle recognized by the Classic Car Club of America; and 'special interest' shall mean a vehicle that, due to limited production, outstanding design, and/or technical achievement, is of special interest. The age of the vehicle will be measured from the manufacturer model year date. The model year shall always count as the first full year. It shall be the duty of the director to make a determination as to whether or not a given vehicle is less than or equal to six years of age, seven years of age, ten years of age, or is an antique, classic or special interest vehicle within the meaning of this article. In no event will a vehicle other than an antique vehicle be allowed in service for the first time with mileage in excess of 100,000 miles for vehicles, which mileage shall be determined from the odometer and from odometer and title records."

"Extended body shall mean that a vehicle shall have been modified to extend its original factory wheelbase by 40 inches or more in conformity with any applicable state or federal safety laws, standards, and regulations."

Section 3. That Section 46-207 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

"Sec. 46-207. Insurance requirements.

(a) Every vehicle operated under a charter and sightseeing service license issued pursuant to the provisions of this division shall at all times be covered by liability insurance meeting all requirements of Chapter 643 of the Texas Transportation Code.

(b) Policies issued under this section shall contain a provision for a continuing liability thereon up to the full amount thereof, notwithstanding any recovery thereon, and that 30 days written notice shall be given the director before cancellation of such policy is effective. In the matter of cancellation of such policies, replacements thereof by new policies, and all such related matters, the licensee shall have the responsibility to comply with the provisions of section 46-140 of this Code, and the mayor and the director shall have all of the powers given them by such section.

(c) The insurance required in subsection (a) shall be issued by a company listed as an authorized auto liability lines carrier on the Texas Department of Insurance's List of Authorized Insurance Companies. Proof of coverage shall be accepted only in the authorized form that has been

promulgated by the city for that purpose. A copy of the authorized form has been placed on file for inspection in the office of the city secretary, and it is adopted as a part of this Code by reference."

Section 4. That Section 46-211 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

"Sec. 46-211. Fees.

(a) *Fees.* The annual fee for a license under this division shall be \$400 for each sightseeing or charter vehicle, payable to the department of finance and administration in two installments as follows: \$200 paid on or before January 1st of each year, and \$200 paid on or before June 1st of each year. In the event the license is issued for a period of time less than one year, the fee shall be \$50 per month or fraction thereof remaining in the calendar year, not to exceed \$400. A replacement fee of \$15 shall be charged for reissuance of each medallion that is lost, mutilated, or otherwise rendered unusable. Failure to pay the license fees when due shall result in termination of the license as provided in section 46-215 of this Code.

(b) *Refunds.* Within 90 days of the expiration of any calendar year a licensee may apply to the director for a refund of a portion of its license fees if the license fees paid for the previous calendar year exceed two percent of the licensee's gross receipts. The refund application shall be made on the form promulgated by the director. The application shall state the amount of refund requested and shall be accompanied by copies of records maintained by the licensee in a form approved by the director. The application, as well as any supplementary material required by the director, must be accompanied by an affidavit signed and sworn to by or on behalf of the applicant. The applicant shall state that the application (or supplement) and all attachments thereto are correct and complete and do not omit any material item, and that the applicant either: (i) has personal knowledge of each matter affirmed, or (ii) has conducted a thorough investigation into each matter affirmed. Upon receipt of a complete and timely application, together with any required supplements, and after examining and investigating same, the director shall either:

- (1) Refund or credit to the account of the licensee the amount by which the total license fees paid for the previous calendar year exceed two percent of the licensee's total gross receipts for the previous calendar year; or
- (2) Deny the refund.

(c) *Additional to other required fees.* The fees established in this section shall be payable in addition to any other applicable fees imposed by this Code or other ordinances of the city."

Section 5. That Subsection (b) of Section 46-215 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

"(b) Notwithstanding the foregoing, if a sightseeing and charter service licensee fails to pay when due the license fee, or any installment thereof, provided for in section 46-211 of this Code, his license shall automatically be canceled 30 days after the due date of such installment unless, before the expiration of such time, the licensee shall pay the amount of such installment plus interest thereon at the rate of ten percent per annum from such due date until paid."

Section 6. That Item (2) of Subsection (h) of Section 46-233 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

- "(2) Each licensee who desires privileges to operate upon city airports is required to maintain and operate at all times under the limousine service license a city authorized fleet of either:
- a. Not less than three limousines, including at least one extended body type vehicle, or
 - b. Not less than four licensable chauffeured limousine vehicles, as defined in this article.

The provisions of this requirement shall not extend to renewals or amendments of limousine service licenses that were originally issued on the basis of applications that were filed on or before November 1, 2000; however, a licensee operating under this special exemption may not increase the number of vehicles authorized under his license unless and until he adds at least one extended body type vehicle to his authorized vehicle fleet."

Section 7. That Subsection (a) of Section 46-242 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

"(a) The minimum fare of \$70 shall be charged the person renting or leasing the chauffeured limousine service, and if the limousine is under hire

for two hours or less, this sum shall be treated as the rental for such period of hire. For the third hour, and all hours thereafter, the minimum fare shall be not less than \$15 per hour. Fares shall be pro-rated for all times in excess of two hours. The minimum fares specified in this section may include obligatory gratuity, tolls, parking fees and fuel surcharges. Provided further, per capita charges are specifically prohibited."

Section 8. That Section 46-276 of the Code of Ordinances, Houston, Texas, is hereby amended by amending the definitions of the term *school vehicle* to read as follows:

"*School vehicle* means any motorized vehicle, whether a conventional sedan, station wagon, van, bus or other type, that is used for hire to transport students to or from any school that is situated in the city or that is used under the sponsorship of the school to transport students to or from any school-sponsored activity of a school that is situated in the city. The term excludes any vehicle owned or leased by the person who operates the school and operated by that person's employees for the primary purpose of providing transportation to students of the school, and any intrastate or interstate motor bus operating under Texas Department of Transportation or federal licensing jurisdiction."

Section 9. That Section 46-287 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

"Sec. 46-287. Application.

(a) Each person desiring to obtain a license shall make application on forms provided by the director and shall include the information requested by the director for implementation of this article. The application shall be completed by and, if granted, issued in the name of the person who owns the entity that will operate the school vehicles. A nonrefundable fee of \$100.00 shall be required to be paid for each application filed. Each application shall be accompanied by:

- (1) A list of vehicles proposed to be utilized;
- (2) A list of the persons who will act as the drivers of the school vehicles proposed to be operated under the license;
- (3) A copy of each proposed driver's state certificate; and

- (4) Evidence of compliance with any qualifications established in this article and any other relevant information that may be requested by the director.

(b) Upon notification by the director, the applicant (including the proprietor if a proprietorship, each partner if a partnership, or each corporate officer, director or holder of ten percent or more of the outstanding stock if a corporation) and all drivers proposed in the application shall present themselves to the police department for identification and fingerprinting to determine if any of them has been convicted of any applicable offense(s) as set forth in item (4) of subsection (a) of section 1-10 of this Code. If so, the director shall follow the procedures set forth in section 1-9 of this Code and conduct a hearing."

Section 10. That the Code of Ordinances, Houston, Texas, is hereby amended by adding new Sections 46-289.1, 46-289.2, and 46-289.3 that read as follows:

"Sec. 46-289.1 Physician's certificate; medical examinations.

For each person designated as a driver in an application for a license, an applicant shall have at all times on file in the office of the director a certificate from a duly licensed physician, which certificate is not more than two years old, showing that the physician has examined the person and that the person has no disability or ailment that would prevent the person from safely operating a school vehicle. The director shall have the authority to require a medical examination and the provision of a replacement certificate at any time upon five days' notice in writing to a licensee or driver if the director has cause to believe that the driver's medical condition has materially changed or that the previously filed certificate is otherwise no longer accurate.

Sec. 46-289.2 Drug screening.

For each person designated as a driver in an application for a license, an applicant shall provide or cause to be provided evidence that each person has passed a drug screening test within the 30 day period preceding the date of filing of the application for issuance or renewal. The director shall promulgate rules and regulations relating to the drug screening test. The director may require an annual drug screening test for all persons designated as a driver in an application. The test procedure shall be equivalent to that prescribed by the mayor for pre-employment drug screenings for city employees. The director shall authorize laboratories and facilities that meet nationally recognized standards to obtain samples and perform the tests.

The responsibility for obtaining the test and all costs associated therewith shall rest with the applicants.

Sec. 46-289.3 Criminal history check.

Upon initial application for a license, upon the filing of an amended application adding one or more new drivers, and at license renewal intervals of five years, the director shall cause the criminal history of each person designated as a driver in an application to be researched by the Texas Department of Public Safety and the FBI. Each person designated as a driver in an application shall complete any forms required for the director to obtain the report, and the applicant shall present the required completed forms to the director, along with funding in a manner specified to cover any fees imposed by state or federal agencies for the report. The provision of this requirement shall not be construed to preclude the director from obtaining interim reports at the expense of the city."

Section 11. That Section 46-290 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

"(a) It shall be unlawful for any person holding a school vehicle license issued under this article or a school bus license issued by ordinance to drive or cause to be driven any school vehicle while in service for the transportation of any student, unless the vehicle has been inspected as required in this section or inspected and permitted by the Texas Department of Transportation."

Section 12. That Subsection (a) of Section 46-292 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

"(a) Each vehicle operated by any licensee under his license shall be covered by liability insurance meeting all requirements of Chapter 643 of the Texas Transportation Code."

Section 13. That the provisions of Section 46-242 of the Code of Ordinances, Houston, Texas, as that section read prior to its amendment in Section 7 of this Ordinance, shall continue to apply to agreements for renting or leasing chauffeured limousine services that are executed before the effective date of this Ordinance, and the former provisions of

Section 46-242 of the Code of Ordinances, Houston, Texas, are saved from repeal for the limited purpose of their continued application to those agreements for one year after the effective date of this Ordinance.

Section 14. That, if any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 15. The City Council hereby approves the revised Houston Intercontinental Airport and William P. Hobby Airport flat rate zone maps that have been placed on file in the City Secretary's Office in connection with the adoption of this Ordinance. The revised maps shall supersede the maps previously filed. Upon annexation of additional territory into the city limits, the Director of Finance and Administration shall have prepared new maps to assign each newly annexed area to a zone and shall file such new maps with the City Secretary.

Section 16. (a) With the exception of Section 4 and Sections 8 through 12, all provisions of this Ordinance shall take effect upon the date of its passage and approval by the Mayor. Section 4 shall become effective on January 1, 2006. Sections 8 through 12 shall become effective on September 1, 2005.


(b) Each taxicab permit holder shall cause the meter on each of his taxicabs to be reset and resealed to reflect the rates authorized in Section 46-31 of the Code of Ordinances as amended herein within 60 days following the effective date of this Ordinance. The resetting and resealing of the meters shall be performed in accordance with regulations issued by the Director of Finance and Administration for that purpose. The reset and resealed meters shall be subject to inspection and verification of accuracy by the Director or his designee as provided in the regulations. During the aforesaid 60 day period, the rates established in Section 46-31 as it read prior to amendment by this Ordinance shall continue to apply to trips conducted by any taxicab in which the meter has not been reset and resealed and the former provisions of Section 46-31 are saved for that limited purpose.

Section 17. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect as provided in **Section 16**, above.

PASSED AND APPROVED this 3rd day of August, 2005.



Mayor of the City of Houston

Prepared by Legal Dept. 
KO:asw 07/26/2005 Assistant City Attorney
Requested by Judy Gray Johnson, Director, Department of Finance and Administration
L.D. File No. 0340500123001

AYE	NO	2005-940
✓		MAYOR WHITE
....	COUNCIL MEMBERS
✓		LAWRENCE
	ABSENT	GALLOWAY
✓		GOLDBERG
✓		EDWARDS
✓		WISEMAN
✓		KHAN
	ABSENT-OUT OF CITY ON PERSONAL BUSINESS	HOLM
✓		GARCIA
✓		ALVARADO
✓		ELLIS
	✓	QUAN
✓		SEKULA-GIBBS
✓		GREEN
✓		BERRY
CAPTION	ADOPTED	

City of Houston



Administration &
Regulatory Affairs

Exhibit II
City of Houston Ordinance No. 2006-668

City of Houston, Texas, Ordinance No. 2006- 668

AN ORDINANCE AMENDING CHAPTER 46 OF THE CODE OF ORDINANCES, HOUSTON, TEXAS, RELATING TO IMPLEMENTING A FUEL SURCHARGE FOR VEHICLES FOR HIRE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City regulates the vehicles-for-hire industry, including the rates that consumers pay for such transportation services, in the interest of public safety; and

WHEREAS, Consumer Price Index data and the American Automobile Association (AAA) Daily Fuel Gauge Report for Texas indicates that the average price per gallon of gasoline since July 2005 has increased \$0.77, or 35.22%; and

WHEREAS, the Finance and Administration Department (the "Department") has studied the increase in gasoline rates since the last overall taxicab rate increase on August 3, 2005 to determine whether a taxicab fuel surcharge should be implemented to allow taxicab operators to recover some of their increased costs due to the dramatic increases in fuel prices; and

WHEREAS, the Department recommends that City Council authorize: (1) a fuel cost recovery fee of \$0.07 per mile when the average price per gallon of regular unleaded gasoline exceeds \$2.00; (2) a per-trip surcharge of \$0.50 for trips longer than two miles when the average price per gallon of regular unleaded gasoline exceeds \$3.00 per gallon, followed by a \$0.50 increase for each additional increment of \$0.50 in the average price per gallon of regular unleaded gasoline; and (3) taxicab drivers to recover the airport use fee on the airport zone rates for outgoing trips from George Bush Intercontinental Airport/Houston and William P. Hobby Airport when the average price per gallon of regular unleaded gasoline exceeds \$2.00; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as a part of this Ordinance.

Section 2. That Subsection (e) of Section 46-26 of the Code of Ordinances, Houston, Texas, is hereby amended to read as follows:

"(e) The driver of each taxicab carrying a passenger or passengers from IAH shall pay to the city the airport use fee established from time to

time by division 5 of article II of chapter 9 of this Code. The driver shall deposit the fee in the manner prescribed by the director of aviation, and the fee may be added by the taxicab driver to metered fares and flat rate fares for trips originating from IAH when the average price per gallon of regular unleaded gasoline exceeds \$2.00, provided that the amount of the fee is posted on the taxicab's rate card. Where passengers are being carried to two or more destinations, the airport use fee shall be prorated among them on a per destination basis. It shall be unlawful for any taxicab driver to depart from the IAH with a passenger without having deposited the required fee."

Section 3. That Subsection (b) of Section 46-27 of the Code of Ordinances,

Houston, Texas, is hereby amended to read as follows:

"(b) The driver of each taxicab carrying a passenger or passengers from the airline terminal building at the HOU shall pay to the city the airport use fee established from time to time by division 5 of article II of chapter 9 of this Code. The driver shall deposit the fee in the manner prescribed by the director of aviation, and the fee may be added by the taxicab driver to metered fares and flat rate fares for trips originating from HOU when the average price per gallon of regular unleaded gasoline exceeds \$2.00, provided that the amount of the fee is posted on the taxicab's rate card. Where passengers are being carried to two or more destinations, the airport use fee shall be prorated among them on a per destination basis. It shall be unlawful for any taxicab driver to depart from the HOU with a passenger without having deposited the required fee."

Section 4. That Subsection (a) of Section 46-31 of the Code of Ordinances,

Houston, Texas, is hereby amended by adding a new Item (9) that reads as follows:

"(9) *Fuel cost recovery fee and fuel surcharge:*

- a. When the average price per gallon of regular unleaded gasoline exceeds \$2.00, all taxicab permittees and drivers shall comply with and abide by the rates established by this section, except as follows:
 1. *Daytime metered travel.* For daytime trips, the metered travel fee shall be \$2.50 for the first two-elevenths of a mile or less plus \$0.17 for each additional one-eleventh of a mile or less.

2. *Nighttime metered travel.* For nighttime trips, the metered travel fee shall be \$3.50 for the first two-elevenths of a mile or less plus \$0.17 for each additional one-eleventh of a mile or less.
3. *IAH flat rates.* Alternative flat rates shall be imposed for trips between George Bush Intercontinental Airport/Houston (IAH) and its geographic zones I through X, as follows:

Zone	Daytime Trip Flat Rate	Nighttime Trip Flat Rate
I	\$38.00	\$39.00
II	\$44.50	\$45.50
III	\$51.00	\$52.00
IV	\$55.00	\$56.00
V	\$62.00	\$63.00
VI	\$69.00	\$70.00
VII	\$74.50	\$75.50
VIII	\$88.50	\$89.50
IX	\$28.50	\$29.50
X	\$35.00	\$36.00

Provided that the lesser of the applicable flat rate or the actual metered rate shall be charged. The foregoing rates are inclusive of airport use fees, which may be additionally imposed on metered fares and flat rate fares for trips originating from IAH.

4. *HOU flat rates.* Alternative flat rates shall be imposed for trips between William P. Hobby Airport (HOU) and its geographic zones I through XI, as follows:

Zone	Daytime Trip Flat Rate	Nighttime Trip Flat Rate
I	\$27.00	\$28.00
II	\$22.00	\$23.00
III	\$33.00	\$34.00
IV	\$46.00	\$47.00
V	\$52.00	\$53.00
VI	\$59.50	\$60.50
VII	\$68.50	\$69.50
VIII	\$60.50	\$61.50
IX	\$31.50	\$32.50
X	\$73.00	\$74.00
XI	\$67.50	\$68.50

Provided that the lesser of the applicable flat rate or the actual metered rate shall be charged. The foregoing rates are inclusive of airport use fees, which may be additionally imposed on metered fares and flat rate fares for trips originating from HOU.

- b. For trips longer than two miles in distance, a per trip fuel surcharge shall be added to the rates established by this section when the average price per gallon of regular unleaded gasoline exceeds \$3.00. The per trip fuel surcharge shall be as follows:

Average Gasoline Price Per Gallon	Surcharge Per Trip
\$3.00 or less	None
\$3.01 to \$3.50	\$0.50
\$3.51 to \$4.00	\$1.00
Each additional increment of \$0.50	Additional \$0.50

- c. Beginning July 1, 2006, when required, a fuel cost recovery fee or a fuel surcharge shall become effective on the first day of the first month of each calendar quarter, i.e., January 1, April 1, July 1, and October 1, and shall remain in effect for the remainder of the quarter.
- d. The average price per gallon of regular unleaded gasoline shall be based on American Automobile Association (AAA) Daily Fuel Gauge Report for Houston, Texas.
- e. The average price per gallon shall be calculated for a three-month period ending not more than 14 days prior to the beginning of a calendar quarter."

Section 5. That, if any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 6. Each taxicab permit holder shall cause the meter on each of his taxicabs to be reset and resealed to reflect the rates authorized in Section 46-31 of the Code of Ordinances as amended herein within 60 days following the effective date of any rate change as provided by this Ordinance. The resetting and resealing of the meters shall be performed in accordance with regulations issued by the Director of Finance and Administration for that purpose. The reset and resealing of the meters shall be performed

in accordance with regulations issued by the Director or her designee as provided in the regulations.

Section 7. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 21st day of June, 2006.


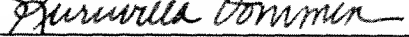
APPROVED this 21st day of June, 2006.



Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is _____.

City Secretary

 Prepared by Legal Dept. 
KO:asw 06/21/2006 Assistant City Attorney
Requested by Judy Gray Johnson, Director, Department of Finance and Administration
L.D. File No. 0340600095001

AYE	NO	
✓		MAYOR WHITE
••••	••••	COUNCIL MEMBERS
✓		LAWRENCE
✓		JOHNSON
✓		CLUTTERBUCK
✓		EDWARDS
✓		WISEMAN
✓		KHAN
✓		HOLM
✓		GARCIA
✓		ALVARADO
✓		BROWN
✓		LOVELL
✓		SEKULA-GIBBS
✓		GREEN
✓		BERRY
CAPTION	ADOPTED	

City of Houston



Administration &
Regulatory Affairs

Exhibit III Nationwide City Methods and Best Practices Survey

Nationwide City Methods and Practices Survey						
Primary Review Methods as Reported						
City	City Rate Comparison	CPI Review	Service Demand	Financial Data	Other	Response to Survey Question: If you perform a rate review/study, what methodology do you use?
Austin						1) Methods vary; 2) Survey of comparable Texas cities; 3) Franchisees submit a proposal for a fare increase, which must include information on fares in comparable cities, the effect on the average trip, and a statement detailing the increase in the cost of living to taxicab operators
Charlotte, NC	X					1) Survey the general public and the taxicab community regarding input on rates
Columbus, OH	X				X	1) Compare rates to other Ohio cities and comparably-sized cities outside of Ohio
Dallas	X					1) Survey comparable cities around the country
Kansas City	X					1) Review rates in comparable cities based on population and close proximity; 2) Stakeholder input regarding amount of the proposed increase, and whether increase is warranted;
Los Angeles	X	X	X			1) Review of Taxi Cost Index; 2) Review of taximeter rates across the nation; 3) Review of Public Convenience & Necessity (PC&N) factors used to measure service demand in the taxicab industry; and; 4) Input from taxicab operators.
Louisville/Jefferson Metro	X					1) Rate comparison to other cities
Miami	X	X				1) Review of rates across the nation; 2) Conduct surveys to determine if current flat rates are valid (rate survey); 3) Review CPI rates
Minneapolis	X	X				1) Weighted CPI formula; 2) City rate comparison survey
Nashville/Davidson Metro	X					1) Rate comparison to other cities
Oakland	X				X	1) Review comparable rates in similar City's; 2) Balance interest of livable wage (established by council policy) vs. affordability for residents; 3) Consider changes in the cost of living, and in gasoline prices
Sacramento	X	X				1) CPI index review; 2) Comparison of comparably sized cities
San Antonio ¹		X		X		1) Review of CPI, Inflation Calculator, and specific indexes such as the specific indexes including the Transportation Index (Urban Consumers.); 2) If possible, request and review audited financial data to produce a weighted average/adjustment factor.
San Diego		X			X	1) Calculate airport rates a local transportation index; 2) Base city maximum rates an average of what operators are currently charging.
San Jose	X	X				1) Evaluate the CPI (All Items for San Francisco/Oakland/San Jose) and/or CPI (Transportation for San Francisco/Oakland/San Jose) and/or extraordinary and ongoing increases in major industry related expense categories, such as fuel and insurance; 2) Survey other city and area taxi rates; 3) Obtain feedback from stakeholders (drivers, taxicab companies, customers)
Tulsa	X					1) Comparison of rates in cities of similar size
Virginia Beach	X					1) Review of rates in other jurisdictions
West Hollywood, CA					X	1) Index the taxi rate to Los Angeles
Wichita					X	1) Cab companies suggest the maximum rates to city staff

Notes:

¹ The 2011 rate increase is based on consultant's recommendation. Information regarding this review was not provided at the time the report was drafted.

City of Houston



Administration &
Regulatory Affairs

Exhibit IV Major U.S. Cities Taxicab Rate Survey

U.S. Cities Taxicab Meter Rate Comparison — January 2012

Rank	City	Initial Drop Fee	Initial Drop Distance	Additional Mile Rate	Additional Mile	First Mile	Each Mile After	Trip Fare (5 miles)	Trip Fare (6 miles)	Waiting Time S/HR	Last Rate Increase
1	San Diego*	\$3.00	0.0	\$3.20	0.0	\$6.20	\$3.20	\$19.00	\$22.20	\$26.00	2011
2	Sacramento*	\$4.00	0.0	\$0.60	1/5	\$7.00	\$3.00	\$19.00	\$22.00	\$28.00	2008
3	San Jose	\$3.50	1/10	\$0.30	1/10	\$6.20	\$3.00	\$18.20	\$21.20	\$30.00	2008
4	San Francisco	\$3.50	1/5	\$0.55	1/5	\$5.70	\$2.75	\$16.70	\$19.45	\$33.00	2011
5	Boston	\$2.60	1/7	\$0.40	1/7	\$5.00	\$2.80	\$16.20	\$19.00	\$28.00	2008
6	Las Vegas	\$3.30	1/13	\$0.20	1/13	\$5.70	\$2.60	\$16.10	\$18.70	\$30.00	2011
7	Los Angeles	\$2.65	1/9	\$0.30	1/9	\$5.05	\$2.70	\$15.85	\$18.55	\$29.19	2008
8	Minneapolis	\$2.50	1/5	\$0.55	1/5	\$4.70	\$2.75	\$15.70	\$18.45	\$24.00	2011
9	Miami	\$2.50	1/6	\$0.40	1/6	\$4.50	\$2.40	\$15.10	\$17.50	\$24.00	2008
10	Charlotte	\$2.50	0.0	\$0.50	1/5	\$5.00	\$2.50	\$15.00	\$17.50	\$30.00	2008
11	Portland*	\$2.50	0.0	\$2.50	1.0	\$5.00	\$2.50	\$15.00	\$17.50	\$30.00	2008
12	Seattle	\$2.50	1/10	\$0.25	1/10	\$4.75	\$2.50	\$14.75	\$17.25	\$30.00	2008
13	Milwaukee	\$2.25	1/10	\$0.25	1/10	\$4.50	\$2.50	\$14.50	\$17.00	\$21.00	2009
14	San Antonio	\$2.50	0.0	\$2.35	1.0	\$4.85	\$2.35	\$14.25	\$16.60	\$24.00	2011
15	Atlanta	\$2.50	1/8	\$0.25	1/8	\$4.25	\$2.00	\$14.25	\$16.25	\$21.00	2008
16	Austin	\$2.50	1/7	\$0.30	1/7	\$4.80	\$2.30	\$14.00	\$16.30	\$27.00	2011
17	Philadelphia	\$2.70	1/10	\$0.23	1/10	\$4.77	\$2.30	\$13.97	\$16.27	\$22.00	2008
18	Nashville	\$3.00	0.0	\$0.20	1/10	\$5.00	\$2.00	\$13.00	\$15.00	\$18.00	2003
19	Kansas City	\$2.50	0.0	\$0.21	1/10	\$4.60	\$2.10	\$13.00	\$15.10	\$42.00	2008
20	EL Paso	\$1.65	1/5	\$0.45	1/5	\$3.90	\$2.25	\$12.90	\$15.15	\$27.00	2006
21	Columbus	\$2.75	1/9	\$0.45	2/9	\$4.55	\$1.80	\$12.65	\$14.90	\$27.00	2006
22	New York	\$2.50	1/5	\$0.40	1/5	\$4.10	\$2.00	\$12.60	\$14.60	\$24.00	2004
23	Dallas	\$2.25	1/9	\$0.20	1/9	\$3.85	\$1.80	\$12.55	\$14.35	\$18.00	2005
24	Fort Worth	\$2.25	1/9	\$0.20	1/9	\$3.85	\$1.80	\$12.55	\$14.35	\$18.00	2006
25	Chicago	\$3.25	1/9	\$0.20	1/9	\$4.85	\$1.80	\$12.05	\$13.85	\$20.00	2005
26	Houston	\$2.50	2/11	\$0.17	1/11	\$4.03	\$1.87	\$12.01	\$13.88	\$20.00	2005

U.S. Cities Taxicab Meter Rate Comparison — January 2012 - After Proposed Rate Increase

Rank	City	Initial Drop Fee	Initial Drop Distance	Additional Mile Rate	Additional Mile	First Mile	Each Mile After	Trip Fare (5 miles)	Trip Fare (6 miles)	Waiting Time S/HR	Last Rate Increase
1	San Diego*	\$3.00	0.0	\$3.20	0.0	\$6.20	\$3.20	\$19.00	\$22.20	\$26.00	2011
2	Sacramento*	\$4.00	0.0	\$0.60	1/5	\$7.00	\$3.00	\$19.00	\$22.00	\$28.00	2008
3	San Jose	\$3.50	1/10	\$0.30	1/10	\$6.20	\$3.00	\$18.20	\$21.20	\$30.00	2008
4	San Francisco	\$3.50	1/5	\$0.55	1/5	\$5.70	\$2.75	\$16.70	\$19.45	\$33.00	2011
5	Boston	\$2.60	1/7	\$0.40	1/7	\$5.00	\$2.80	\$16.20	\$19.00	\$28.00	2008
6	Las Vegas	\$3.30	1/13	\$0.20	1/13	\$5.70	\$2.60	\$16.10	\$18.70	\$30.00	2011
7	Los Angeles	\$2.65	1/9	\$0.30	1/9	\$5.05	\$2.70	\$15.85	\$18.55	\$29.19	2008
8	Minneapolis	\$2.50	1/5	\$0.55	1/5	\$4.70	\$2.75	\$15.70	\$18.45	\$24.00	2011
9	Miami	\$2.50	1/6	\$0.40	1/6	\$4.50	\$2.40	\$15.10	\$17.50	\$24.00	2008
10	Charlotte	\$2.50	0.0	\$0.50	1/5	\$5.00	\$2.50	\$15.00	\$17.50	\$30.00	2008
11	Portland*	\$2.50	0.0	\$2.50	1.0	\$5.00	\$2.50	\$15.00	\$17.50	\$30.00	2008
12	Seattle	\$2.50	1/10	\$0.25	1/10	\$4.75	\$2.50	\$14.75	\$17.25	\$30.00	2008
13	Milwaukee	\$2.25	1/10	\$0.25	1/10	\$4.50	\$2.50	\$14.50	\$17.00	\$21.00	2009
14	San Antonio	\$2.50	0.0	\$2.35	1.0	\$4.85	\$2.35	\$14.25	\$16.60	\$24.00	2011
15	Austin	\$2.50	1/7	\$0.30	1/7	\$4.80	\$2.30	\$14.00	\$16.30	\$27.00	2011
16	Philadelphia	\$2.70	1/10	\$0.23	1/10	\$4.77	\$2.30	\$13.97	\$16.27	\$22.00	2008
17	Atlanta	\$2.50	1/8	\$0.25	1/8	\$4.25	\$2.00	\$14.25	\$16.25	\$21.00	2008
18	Houston	\$2.75	1/11	\$0.20	1/11	\$4.75	\$2.20	\$13.55	\$15.75	\$24.00	2012
19	EL Paso	\$1.65	1/5	\$0.45	1/5	\$3.90	\$2.25	\$12.90	\$15.15	\$27.00	2006
20	Kansas City	\$2.50	0.0	\$0.21	1/10	\$4.60	\$2.10	\$13.00	\$15.10	\$42.00	2008
21	Nashville	\$3.00	0.0	\$0.20	1/10	\$5.00	\$2.00	\$13.00	\$15.00	\$18.00	2003
22	Columbus	\$2.75	1/9	\$0.45	2/9	\$4.55	\$1.80	\$12.65	\$14.90	\$27.00	2006
23	New York	\$2.50	1/5	\$0.40	1/5	\$4.10	\$2.00	\$12.60	\$14.60	\$24.00	2004
24	Dallas	\$2.25	1/9	\$0.20	1/9	\$3.85	\$1.80	\$12.55	\$14.35	\$18.00	2005
25	Fort Worth	\$2.25	1/9	\$0.20	1/9	\$3.85	\$1.80	\$12.55	\$14.35	\$18.00	2006
26	Chicago	\$3.25	1/9	\$0.20	1/9	\$4.85	\$1.80	\$12.05	\$13.85	\$20.00	2005

City of Houston



Administration &
Regulatory Affairs

Exhibit V

Greater Houston Transportation Company
dba Yellow Cab Application for Amendment of
Section 46-31 of the Code of Ordinances to Increase the
Authorized Schedule of Taxicab Fares and Charges



January 18, 2012

Honorable Mayor Annise Parker and Members of City Council
City of Houston
City Hall Annex
900 Bagby
Houston, Texas 77002

Re: Application for Amendment of Section 46-31 of the Code of Ordinances to Increase the
Authorized Schedule of Taxicab Fares and Charges

Dear Mayor and Members of City Council:

It has been over 7 years since the last meter fare increase request by Greater Houston Transportation Company and over 6 years since the request was approved on August 3, 2005, by the City of Houston. Since the last meter fare request November 10, 2004, there have been significant increases in the consumer price index, the price of gasoline, and the cost of vehicles, vehicle maintenance and insurance.

The company's November 10, 2004 meter fare increase request was based on November 2004 figures for the consumer price index, gasoline, and other indices. Since November 2004 the price of unleaded regular gasoline has risen from \$1.878 per gallon to \$3.044 in December 2011, an increase of \$1.17 or 62.1% (Exhibits 1-1A-1B).

Moreover, the "Consumer Price Index (All Urban Consumers)" for the Houston area shows that from August 2004 to October 2011 the CPI increased 19.1% (Exhibits 2-2A). Additionally, the "Consumer Price Index (U.S. City Average)" shows that from September 2004 to November 2011 there was a 27.3% increase in the cost of motor vehicle maintenance and repair (Exhibits 3-3A), a 24.6% increase in the cost of motor vehicle body work (Exhibits 3-3B) and a 20.5% increase in motor vehicle insurance (Exhibits 3-3C).

Greater Houston Transportation Company proposes that the current schedule of fares be amended as follows: Except for trips to and from Bush Intercontinental Airport and Hobby Airport, it is proposed that the existing schedule of fares be amended to provide for a fare of \$2.75 for the first 1/11th mile and \$0.20 for each additional 1/11th mile with waiting time to increase to \$24.00 per hour. Exhibit 4 shows the new fare increase proposal, plus comparisons of the current mileage fare schedule of \$1.87 per mile with the proposed mileage fare schedule of \$2.20 per mile or an increase in the mileage fare schedule of \$0.33 per mile. The same exhibit also shows the proposed increase in airport meter and flat rate fares.

GREATER HOUSTON TRANSPORTATION COMPANY

1406 Hays Street • Houston, TX 77009
OFFICE (713) 224-4445 • TAXI (713) 236-1111 • FAX (713) 225-9121

January 18, 2012

In the survey of taxicab fare schedules of 50 U.S. survey cities that Greater Houston Transportation Company has submitted with each of its fare increase requests, Houston now ranks 44th from the highest in the cost of a 6 mile trip which includes the present \$0.50 fuel surcharge. Under the proposed new fares the cost of a 6 mile trip would be \$15.75, which would move Houston on this survey into a tie for 23rd place with Denver (Exhibit 5).

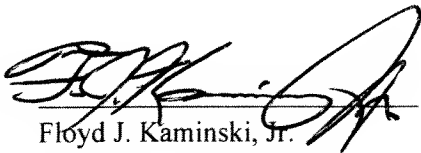
Also included in Exhibit 5 are comparisons of Houston's rank in the state of Texas. Houston now ranks 8th from the highest in the state of Texas in the cost of a 6 mile trip, which includes the present \$0.50 fuel surcharge. Under the proposed new fares, the cost of a 6 mile trip would move Houston on this survey into the 5th place from the highest in our state.

It is recognized that the City Council will desire the recommendation of the Finance Department and the Administration & Regulatory Affairs Department on this request. However, the necessity for these increased fares, particularly the need for the approximately 2,480 Houston taxicab drivers to meet the increase in gasoline costs and the cost of living, causes the Company to ask the City Council, the Finance Department and the Administration & Regulatory Affairs Department to act as expeditiously as possible.

Respectfully submitted,

Greater Houston Transportation Company

By:



Floyd J. Kaminski, Jr.

President

Copy: Council Member Helena Brown
Council Member Jerry Davis
Council Member Ellen Cohen
Council Member Wanda Adams
Council Member Mike Sullivan
Council Member Al Hoang
Council Member Oliver Pennington
Council Member Ed Gonzalez
Council Member James Rodriguez
Council Member Mike Laster
Council Member Larry Green
Council Member Stephen Costello
Council Member Andrew Burks, Jr.

Honorable Mayor and Members of City Council

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January 18, 2012

Council Member Melissa Noriega

Council Member C.O. Brad Bradford

Council Member Jack Christie

Director of Finance, Kelly Dowe

Director Administration & Regulatory Affairs, Alfred Moran

Deputy Director Regulatory Affairs, Tina Paez

Consumer Price Index

Average Price Data

	<u>November 8, 2004</u>	<u>December 19, 2011</u>	<u>Percentage Increase</u>
Gasoline	\$1.878	\$3.044	62.1%

Source: AAA's Daily Fuel Gauge Report
For November 2004

AAA's Daily Fuel Gauge Report
For December 2011

Daily Fuel Gauge Repo

AAA's Media Site For Retail Gasoline Prices

Metro Averages:

Select A Market

Prices updated: 11/8/2004 3:02:02 AM

Data provided in cooperation with OPIS Energy Group and Wright Express, LLC

Media are encouraged to localize fuel price stories by contacting their local AAA club media representative.

National Average

State by State Average

What's Moving the Market

National Media Contacts

Local AAA Club Media Contacts

Local AAA Clubs

Methodology

TX Metro Averages

*Prices Are In US Dollars Per Gallon.

Amarillo	Regular	Mid	Premium	Diesel
Current	\$1.860	\$1.968	\$2.039	\$2.024
Yesterday	\$1.866	\$1.974	\$2.045	\$2.042
Month Ago	\$1.871	\$1.979	\$2.050	\$1.980
Year Ago	\$1.425	\$1.507	\$1.561	\$1.409

Highest Recorded Price:

Regular Unl.	\$1.934	5/26/2004
Dsl.	\$2.116	10/28/2004

NEW Get The Current Fuel Costs For A Trip

Austin-San Marcos	Regular	Mid	Premium	Diesel
Current	\$1.889	\$1.999	\$2.071	\$2.112
Yesterday	\$1.894	\$2.004	\$2.076	\$2.117
Month Ago	\$1.830	\$1.937	\$2.006	\$2.003
Year Ago	\$1.376	\$1.456	\$1.508	\$1.412

Highest Recorded Price:

Regular Unl.	\$1.929	5/27/2004
Dsl.	\$2.142	10/30/2004

Beaumont-Port Arthur	Regular	Mid	Premium	Diesel
Current	\$1.863	\$1.971	\$2.042	\$2.097
Yesterday	\$1.863	\$1.971	\$2.042	\$2.102
Month Ago	\$1.822	\$1.928	\$1.997	\$1.992
Year Ago	\$1.376	\$1.455	\$1.508	\$1.415

Highest Recorded Price:

Regular Unl.	\$1.903	6/1/2004
Dsl.	\$2.120	10/29/2004

Corpus Christi	Regular	Mid	Premium	Diesel
Current	\$1.835	\$1.941	\$2.011	\$2.069
Yesterday	\$1.835	\$1.941	\$2.011	\$2.076
Month Ago	\$1.804	\$1.908	\$1.977	\$1.947
Year Ago	\$1.257	\$1.330	\$1.378	\$1.369

Highest Recorded Price:

Regular Unl.	\$1.925	5/26/2004
Dsl.	\$2.101	11/1/2004

Dallas	Regular	Mid	Premium	Diesel
Current	\$1.905	\$2.015	\$2.088	\$2.130
Yesterday	\$1.908	\$2.018	\$2.091	\$2.137
Month Ago	\$1.850	\$1.957	\$2.028	\$2.012
Year Ago	\$1.410	\$1.491	\$1.545	\$1.465

Highest Recorded Price:

Regular Unl.	\$1.932	5/27/2004
Dsl.	\$2.158	10/29/2004

El Paso	Regular	Mid	Premium	Diesel
Current	\$1.875	\$1.984	\$2.055	\$2.125
Yesterday	\$1.877	\$1.986	\$2.057	\$2.122
Month Ago	\$1.845	\$1.952	\$2.023	\$2.005
Year Ago	\$1.476	\$1.561	\$1.617	\$1.487

Highest Recorded Price:

Regular Unl.	\$1.937	5/29/2004
Dsl.	\$2.133	10/30/2004

Fort Worth-Arlington	Regular	Mid	Premium	Diesel
Current	\$1.889	\$1.998	\$2.070	\$2.129
Yesterday	\$1.893	\$2.003	\$2.075	\$2.128
Month Ago	\$1.833	\$1.939	\$2.009	\$2.011
Year Ago	\$1.405	\$1.486	\$1.540	\$1.456

Highest Recorded Price:

Regular Unl.	\$1.924	5/28/2004
--------------	---------	-----------

Dsl.	\$2.158	10/29/2004
------	---------	------------

Galveston-Texas City	Regular	Mid	Premium	Diesel
Current	\$1.882	\$1.992	\$2.063	\$2.099
Yesterday	\$1.884	\$1.993	\$2.065	\$2.096
Month Ago	\$1.824	\$1.929	\$1.999	\$1.960
Year Ago	\$1.395	\$1.476	\$1.529	\$1.398

Highest Recorded Price:

Regular Unl.	\$1.922	6/1/2004
Dsl.	\$2.116	11/1/2004

Houston	Regular	Mid	Premium	Diesel
Current	\$1.878	\$1.986	\$2.058	\$2.094
Yesterday	\$1.880	\$1.989	\$2.061	\$2.100
Month Ago	\$1.826	\$1.932	\$2.002	\$1.981
Year Ago	\$1.386	\$1.467	\$1.519	\$1.405

Highest Recorded Price:

Regular Unl.	\$1.909	6/1/2004
Dsl.	\$2.119	10/27/2004

San Antonio	Regular	Mid	Premium	Diesel
Current	\$1.867	\$1.976	\$2.047	\$2.079
Yesterday	\$1.873	\$1.981	\$2.052	\$2.087
Month Ago	\$1.824	\$1.929	\$1.999	\$1.982
Year Ago	\$1.347	\$1.426	\$1.477	\$1.411

Highest Recorded Price:

Regular Unl.	\$1.952	5/26/2004
Dsl.	\$2.110	11/1/2004

Texarkana (TX only)	Regular	Mid	Premium	Diesel
Current	\$1.916	\$2.027	\$2.100	\$2.109
Yesterday	\$1.923	\$2.034	\$2.107	\$2.100
Month Ago	\$1.870	\$1.978	\$2.049	\$1.966
Year Ago	\$1.370	\$1.450	\$1.502	\$1.426

Highest Recorded Price:

Regular Unl.	\$1.956	11/2/2004
Dsl.	\$2.138	11/1/2004

AAA's Daily Fuel Gauge Report is updated each business day and is the most comprehensive retail gasoline survey available. Everyday over 60,000 self-serve stations are surveyed.

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AAA's Daily Fuel Gauge Report *The most comprehensive nationwide fuel price survey available from a*

Prices Updated As Of: 12/19/2011 3:02:15 AM

TX Metro Averages**Prices Are In US Dollars Per Gallon.*

Amarillo	Regular	Mid	Premium	Diesel
Current	\$3.039	\$3.134	\$3.237	\$3.745
Yesterday	\$3.042	\$3.148	\$3.253	\$3.751
Week Ago	\$3.117	\$3.222	\$3.328	\$3.782
Month Ago	\$3.233	\$3.322	\$3.452	\$3.927
Year Ago	\$2.780	\$2.941	\$3.046	\$3.163

Highest Recorded Average Price:

Regular Unl.	\$3.983	7/16/2008
Dsl.	\$4.742	7/18/2008

Austin-San Marcos	Regular	Mid	Premium	Diesel
Current	\$3.065	\$3.220	\$3.354	\$3.704
Yesterday	\$3.068	\$3.227	\$3.365	\$3.708
Week Ago	\$3.101	\$3.262	\$3.396	\$3.742
Month Ago	\$3.186	\$3.340	\$3.479	\$3.794
Year Ago	\$2.800	\$2.962	\$3.069	\$3.104

Highest Recorded Average Price:

Regular Unl.	\$3.975	7/17/2008
Dsl.	\$4.770	7/18/2008

Beaumont-Port Arthur	Regular	Mid	Premium	Diesel
Current	\$3.017	\$3.186	\$3.348	\$3.654
Yesterday	\$3.022	\$3.201	\$3.360	\$3.664
Week Ago	\$3.074	\$3.236	\$3.363	\$3.701
Month Ago	\$3.178	\$3.322	\$3.459	\$3.755
Year Ago	\$2.788	\$2.949	\$3.056	\$3.117

Highest Recorded Average Price:

Regular Unl.	\$4.001	7/16/2008
Dsl.	\$4.751	7/18/2008

Corpus Christi	Regular	Mid	Premium	Diesel
Current	\$3.002	\$3.135	\$3.258	\$3.744
Yesterday	\$3.007	\$3.139	\$3.263	\$3.743
Week Ago	\$3.023	\$3.171	\$3.265	\$3.743
Month Ago	\$3.103	\$3.232	\$3.365	\$3.773
Year Ago	\$2.783	\$2.945	\$3.051	\$3.040

Highest Recorded Average Price:

Regular Unl.	\$3.960	7/15/2008
Dsl.	\$4.711	7/19/2008

Dallas	Regular	Mid	Premium	Diesel
Current	\$3.030	\$3.211	\$3.356	\$3.729

Yesterday	\$3.039	\$3.219	\$3.364	\$3.738
Week Ago	\$3.091	\$3.266	\$3.408	\$3.757
Month Ago	\$3.169	\$3.349	\$3.491	\$3.798
Year Ago	\$2.845	\$3.010	\$3.118	\$3.142

Highest Recorded Average Price:

Regular Unl.	\$3.983	7/16/2008
Dsl.	\$4.821	7/17/2008

El Paso	Regular	Mid	Premium	Diesel
Current	\$2.955	\$3.066	\$3.188	\$3.740
Yesterday	\$2.954	\$3.079	\$3.185	\$3.748
Week Ago	\$2.978	\$3.094	\$3.215	\$3.759
Month Ago	\$3.125	\$3.256	\$3.379	\$3.788
Year Ago	\$2.775	\$2.935	\$3.041	\$3.181

Highest Recorded Average Price:

Regular Unl.	\$3.967	7/17/2008
Dsl.	\$4.689	7/17/2008

Fort Worth-Arlington	Regular	Mid	Premium	Diesel
Current	\$3.026	\$3.210	\$3.363	\$3.713
Yesterday	\$3.035	\$3.221	\$3.373	\$3.722
Week Ago	\$3.090	\$3.269	\$3.425	\$3.744
Month Ago	\$3.166	\$3.343	\$3.496	\$3.792
Year Ago	\$2.848	\$3.013	\$3.121	\$3.124

Highest Recorded Average Price:

Regular Unl.	\$3.975	7/16/2008
Dsl.	\$4.812	7/17/2008

Galveston-Texas City	Regular	Mid	Premium	Diesel
Current	\$3.040	\$3.258	\$3.376	\$3.677
Yesterday	\$3.046	\$3.248	\$3.377	\$3.687
Week Ago	\$3.074	\$3.284	\$3.422	\$3.706
Month Ago	\$3.181	\$3.383	\$3.532	\$3.747
Year Ago	\$2.800	\$2.962	\$3.068	\$3.091

Highest Recorded Average Price:

Regular Unl.	\$3.968	7/14/2008
Dsl.	\$4.779	7/17/2008

Houston	Regular	Mid	Premium	Diesel
Current	\$3.044	\$3.215	\$3.350	\$3.660
Yesterday	\$3.049	\$3.227	\$3.358	\$3.667
Week Ago	\$3.085	\$3.258	\$3.394	\$3.701
Month Ago	\$3.171	\$3.350	\$3.484	\$3.745
Year Ago	\$2.796	\$2.958	\$3.065	\$3.081

Highest Recorded Average Price:

Regular Unl.	\$3.960	7/17/2008
Dsl.	\$4.772	7/17/2008

San Antonio	Regular	Mid	Premium	Diesel
--------------------	----------------	------------	----------------	---------------

Current	\$3.013	\$3.171	\$3.303	\$3.700
Yesterday	\$3.018	\$3.172	\$3.307	\$3.708
Week Ago	\$3.044	\$3.201	\$3.325	\$3.740
Month Ago	\$3.153	\$3.311	\$3.445	\$3.792
Year Ago	\$2.769	\$2.929	\$3.034	\$3.086

Highest Recorded Average Price:

Regular Unl.	\$3.957	7/16/2008
Dsl.	\$4.721	7/18/2008

Texarkana (TX only)

	Regular	Mid	Premium	Diesel
Current	\$3.082	\$3.232	\$3.345	\$3.781
Yesterday	\$3.082	\$3.208	\$3.361	\$3.774
Week Ago	\$3.097	\$3.233	\$3.361	\$3.815
Month Ago	\$3.230	\$3.364	\$3.494	\$3.842
Year Ago	\$2.815	\$2.978	\$3.085	\$3.128

Highest Recorded Average Price:

Regular Unl.	\$3.981	7/16/2008
Dsl.	\$4.786	7/15/2008

Consumer Price Index

All Urban Consumers

	<u>August 2004</u>	<u>October 2011</u>	<u>Percentage Increase</u>
Houston	169.1	201.3	19.1%

Source: U. S. Department of Labor
Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers **Original Data Value**

Series Id: CUURA318SA0, CUUSA318SA0
 Not Seasonally Adjusted
 Area: Houston-Galveston-Brazoria, TX
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	158.6	158.6	159.5	159.5	159.6	159.6	158.6	158.6	159.4	159.4	157.1	157.1	158.8	158.9	158.6
2002	156.6	156.6	158.8	158.8	158.3	158.3	160.1	160.1	162.6	162.6	159.8	159.8	159.2	157.8	160.7
2003	164.0	164.0	162.5	162.5	162.5	162.5	164.1	164.1	166.1	166.1	164.1	164.1	163.7	162.8	164.6
2004	168.5	168.5	169.7	169.7	169.3	169.3	169.1	169.1	171.8	171.8	170.0	170.0	169.5	168.7	170.2
2005	174.6	174.6	175.0	175.0	174.2	174.2	175.5	175.5	179.2	179.2	177.2	177.2	175.6	174.3	177.0
2006	178.6	178.6	181.2	181.2	182.4	182.4	182.5	182.5	180.4	180.4	179.2	179.2	180.6	180.3	181.0
2007	181.217	181.217	184.140	184.140	184.529	184.529	183.740	183.740	184.922	184.922	186.246	186.246	183.838	182.851	184.826
2008	187.585	187.585	188.795	188.795	193.567	193.567	192.723	192.723	191.140	191.140	185.930	185.930	189.967	189.369	190.564
2009	187.972	187.972	189.701	189.701	192.325	192.325	191.687	191.687	191.608	191.608	190.932	190.932	190.495	189.465	191.525
2010	192.412	192.412	194.037	194.037	194.734	194.734	195.165	195.165	195.094	195.094	194.479	194.479	194.172	193.410	194.934
2011	197.224	197.224	201.624	201.624	201.309	201.309	202.445	202.445	201.398	201.398				199.480	

Source: Bureau of Labor Statistics

EXHIBIT 2A

Consumer Price Index

U.S. City Average

	<u>September 2004</u>	<u>November 2011</u>	<u>Percentage Increase</u>
Motor Vehicle Maintenance And Repairs	200.7	255.6	27.3%
Motor Vehicle Body Work	210.0	261.7	24.6%
Motor Vehicle Insurance	325.4	393.1	20.8%

Source: U. S. Department of Labor
Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers Original Data Value

Series Id: CUSR0000SETD
Seasonally Adjusted
Area: U.S. city average
Item: Motor vehicle maintenance and repair
Base Period: 1982-84=100
Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	180.5	181.2	181.6	182.0	182.6	182.9	183.6	184.4	185.1	185.8	186.1	186.3			
2002	187.0	187.7	188.4	189.1	190.0	190.2	190.0	191.3	191.5	191.7	192.5	193.3			
2003	193.7	194.2	194.2	194.7	195.0	195.3	196.2	195.9	196.3	196.7	196.9	198.0			
2004	198.2	198.2	198.5	198.6	199.0	199.7	200.3	200.8	200.7	201.7	202.9	203.3			
2005	204.0	203.9	204.7	205.0	205.6	206.1	206.7	207.3	208.7	209.8	210.5	210.7			
2006	211.2	212.9	213.4	213.9	214.9	215.5	216.7	216.2	217.0	218.5	218.5	218.8			
2007	219.262	220.530	221.160	221.508	221.999	222.553	223.487	224.019	224.302	224.939	225.672	226.120			
2008	227.732	228.731	229.765	230.528	231.730	233.162	234.788	236.125	237.121	238.227	239.048	239.356			
2009	241.076	241.689	242.118	242.649	242.488	242.683	243.031	243.494	244.493	245.393	245.511	245.417			
2010	245.567	245.969	246.624	247.355	247.311	247.635	247.536	248.390	249.231	249.824	249.872	250.134			
2011	250.726	250.851	250.820	251.458	252.376	252.529	252.769	253.337	255.244	255.774	255.663				

Consumer Price Index - All Urban Consumers

Original Data Value

Series Id: CUUR0000SETD01

Not Seasonally Adjusted

Area: U.S. city average

Item: Motor vehicle body work

Base Period: 1982-84=100

Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	191.9	192.1	192.0	192.6	194.0	194.9	194.9	195.6	197.3	197.9	197.4	197.6	194.9		
2002	197.5	197.3	198.1	198.1	198.2	199.3	200.4	200.9	201.2	201.2	201.8	201.2	199.6		
2003	201.0	201.7	202.4	202.4	202.5	202.9	203.3	203.5	203.2	203.6	203.8	205.0	202.9		
2004	205.0	205.4	206.3	207.2	208.2	207.9	208.2	208.7	210.0	210.7	210.8	210.5	208.2		
2005	210.2	210.4	211.1	212.6	213.7	214.4	215.3	215.9	218.3	218.7	219.3	220.5	215.0		
2006	221.0	223.0	223.4	222.6	223.4	224.2	225.1	225.7	226.6	226.6	227.5	228.1	224.8		
2007	229.720	230.738	231.084	231.234	231.056	231.143	231.378	231.940	232.569	234.548	235.351	236.039	232.233		
2008	236.594	236.189	236.368	236.389	237.076	237.959	238.492	240.521	242.432	244.508	244.895	245.361	239.732		
2009	246.280	245.643	246.663	247.904	248.401	248.607	249.017	248.751	249.969	249.559	250.770	251.006	248.548		
2010	251.236	251.192	251.365	252.904	254.638	255.416	255.156	255.375	255.500	256.202	256.567	257.224	254.398		
2011	258.352	258.530	258.508	259.181	259.562	259.507	259.677	260.197	260.652	261.461	261.752				

Source: Bureau of Labor Statistics

EXHIBIT 3B

Consumer Price Index - All Urban Consumers Original Data Value

Series Id: CUSR0000SETE
 Seasonally Adjusted
 Area: U.S. city average
 Item: Motor vehicle insurance
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	260.6	262.2	262.8	263.9	264.9	266.6	268.0	269.7	270.9	272.9	276.8	278.4			
2002	279.9	282.4	284.5	286.4	287.9	289.8	292.7	294.5	296.6	298.9	301.8	303.6			
2003	305.8	307.7	309.9	313.2	314.6	315.6	316.0	317.0	318.5	320.4	317.2	317.0			
2004	318.1	319.0	320.0	320.5	321.9	323.2	324.1	324.9	325.4	326.5	326.9	327.7			
2005	328.9	329.5	329.5	329.7	329.6	330.2	330.5	331.1	329.6	328.6	329.9	330.7			
2006	330.7	330.4	331.0	331.1	331.5	331.0	331.0	331.4	332.7	333.7	333.6	333.3			
2007	333.122	332.890	332.635	332.335	330.711	332.038	332.906	333.384	334.288	334.034	334.323	334.978			
2008	336.242	336.648	337.158	338.027	339.253	340.675	341.740	343.318	344.485	345.289	346.985	348.345			
2009	349.844	351.220	351.890	353.703	354.918	356.732	357.519	359.211	360.077	361.273	362.711	364.849			
2010	366.233	368.428	370.680	372.366	373.611	374.679	376.452	377.326	378.628	380.925	381.797	381.058			
2011	382.566	383.854	385.414	386.375	387.780	388.492	388.753	390.094	391.155	392.097	393.136				

Source: Bureau of Labor Statistics

EXHIBIT 3C

Fare Increase for the City of Houston, Texas

Current Fare Schedule

Proposed Fare Schedule

Mileage Rate	\$2.50 first 2/11 mile \$1.87 per mile (\$ 17 each 1/11 mile)	\$2.75 first 1/11 mile \$2.20 per mile (\$ 20 each 1/11 mile)
Waiting Time	\$20.00/hr waiting time	\$24.00/hr waiting time

	<u>Current Fare</u>	<u>Current Fare</u> (w/\$.50 fuel schg.)	<u>Proposed Fare</u>	<u>Dollar Increase</u>	<u>Percentage Increase</u>
1 Mile Trip	\$4.03	\$4.53	\$4.75	\$0.22	4.9%
2 Mile Trip	\$5.90	\$6.40	\$6.95	\$0.55	8.6%
3 Mile Trip	\$7.77	\$8.27	\$9.15	\$0.88	10.6%
4 Mile Trip	\$9.64	\$10.14	\$11.35	\$1.21	11.9%
5 Mile Trip	\$11.51	\$12.01	\$13.55	\$1.54	12.8%
6 Mile Trip	\$13.38	\$13.88	\$15.75	\$1.87	13.5%
7 Mile Trip	\$15.25	\$15.75	\$17.95	\$2.20	14.0%
8 Mile Trip	\$17.12	\$17.62	\$20.15	\$2.53	14.4%
9 Mile Trip	\$18.99	\$19.49	\$22.35	\$2.86	14.7%
10 Mile Trip	\$20.86	\$21.36	\$24.55	\$3.19	14.9%
15 Mile Trip	\$30.21	\$30.71	\$35.55	\$4.84	15.8%
20 Mile Trip	\$39.56	\$40.06	\$46.55	\$6.49	16.2%

BUSH INTERCONTINENTAL AIRPORT FARES

<u>Zone</u>	<u>Avg. Miles</u>	<u>Current Meter Fare</u>	<u>Current Meter Fare</u> (w/\$.50 fuel schg.)	<u>Current Airport Flat Rate</u> (w/\$.50 fuel schg.)	<u>Proposed Meter Fare</u>	<u>Proposed Airport Flat Rate</u>	<u>Dollar Increase</u>	<u>Percentage Increase</u>
1	19.3	\$38.25	\$38.75	\$38.50	\$45.01	\$44.00	\$5.50	14.3%
2	22.8	\$44.80	\$45.30	\$45.00	\$52.71	\$51.00	\$6.00	13.3%
3	26.3	\$51.34	\$51.84	\$51.50	\$60.41	\$58.00	\$6.50	12.6%
4	28.5	\$55.46	\$55.96	\$55.50	\$65.25	\$64.00	\$8.50	15.3%
5	32.2	\$62.37	\$62.87	\$62.50	\$73.39	\$72.00	\$9.50	15.2%
6	35.8	\$69.11	\$69.61	\$69.50	\$81.31	\$80.00	\$10.50	15.1%
7	38.7	\$74.53	\$75.03	\$75.00	\$87.69	\$86.00	\$11.00	14.7%
8	46.4	\$88.93	\$89.43	\$89.00	\$104.63	\$99.00	\$10.00	11.2%
9	14.3	\$28.90	\$29.40	\$29.00	\$34.01	\$33.00	\$4.00	13.8%
10	17.6	\$35.07	\$35.57	\$35.50	\$41.27	\$40.00	\$4.50	12.7%

HOBBY AIRPORT FARES

<u>Zone</u>	<u>Avg. Miles</u>	<u>Current Meter Fare</u>	<u>Current Meter Fare</u> (w/\$.50 fuel schg.)	<u>Current Airport Flat Rate</u> (w/\$.50 fuel schg.)	<u>Proposed Meter Fare</u>	<u>Proposed Airport Flat Rate</u>	<u>Dollar Increase</u>	<u>Percentage Increase</u>
1	13.4	\$27.22	\$27.72	\$27.50	\$32.03	\$31.00	\$3.50	12.7%
2	10.8	\$22.36	\$22.86	\$22.50	\$26.31	\$25.50	\$3.00	13.3%
3	16.5	\$33.02	\$33.52	\$33.50	\$38.85	\$38.00	\$4.50	13.4%
4	23.7	\$46.48	\$46.98	\$46.50	\$54.69	\$53.50	\$7.00	15.1%
5	26.8	\$52.28	\$52.78	\$52.50	\$61.51	\$60.00	\$7.50	14.3%
6	30.8	\$59.76	\$60.26	\$60.00	\$70.31	\$69.00	\$9.00	15.0%
7	35.5	\$68.55	\$69.05	\$69.00	\$80.65	\$79.00	\$10.00	14.5%
8	31.3	\$60.69	\$61.19	\$61.00	\$71.41	\$70.00	\$9.00	14.8%
9	15.9	\$31.89	\$32.39	\$32.00	\$37.53	\$36.50	\$4.50	14.1%
10	38.1	\$73.41	\$73.91	\$73.50	\$86.37	\$85.00	\$11.50	15.6%
11	35.0	\$67.61	\$68.11	\$68.00	\$79.55	\$78.00	\$10.00	14.7%

Taxi Cab Rate Comparison - 50 U.S. Cities
Sorted by cost of 6 mile trip

RANK	6 MILE TRIP		CITY	STATE	POP. /000/	# LIC.	DROP CHARGE \$	CHARGE MILE	ADD'L CHARGE \$	ADD'L MILE	TRAFFIC/DELAY \$/MIN.	WAITING TIME \$/HR.	DATE OF INCREASE
1	\$21.20	San Jose	CA	1,000	475	\$3.50	1/10	\$0.30	1/10	\$0.40	\$30.00	Oct-08	
2	\$20.25	Palm Beach County	FL	1,800	500	\$2.50	1/12	\$0.25	1/12	\$0.40	\$24.00	Mar-08	
3	\$19.00	Boston	MA	1,000	1,825	\$2.60	1/7	\$0.40	1/7	\$0.40	\$24.00	Sep-08	
4	\$18.75	Los Angeles	CA	4,000	1,931	\$2.85	1/9	\$0.30	1/9	\$0.38	\$29.19	Aug-08	
5	\$18.50	Rock Island (Quad Cities)	IL	1,000	20	\$6.00	1 Mile	\$2.50	1 Mile	\$30.00	May-07		
6	\$17.90	Anaheim (Orange City)	CA	2,958	604	\$2.95	1/4	\$0.65	1/4	\$0.46	\$30.00	Aug-08	
7	\$17.85	Midland/Odessa	TX	250	10	\$3.85	1/6	\$0.40	1/6	\$0.25	\$10.00	Nov-08	
8	\$17.80	San Diego	CA	1,000	1,000	\$2.40	1/13	\$0.20	1/13	\$0.36	\$21.60	Apr-07	
9	\$17.50	Las Vegas	NV	2,000	1,850	\$3.30	1/12	\$0.20	1/12	\$0.36	\$30.00	Jul-08	
10	\$17.29	San Antonio	TX	1,300	820	\$2.50	1/5	\$0.51	1/5	\$0.35	\$24.00	Sep-11	
11	\$17.25	Lockport	NY	50,000	20	\$6.00	1 Mile	\$2.25	1 Mile	\$60.00	Sep-05		
12	\$17.25	Seattle	WA	1,000	643	\$2.50	1/10	\$0.25	1/10	\$0.50	\$30.00	Oct-08	
13	\$16.80	Galveston	TX	47	50	\$3.00	1/4	\$0.60	1/4	\$0.30	\$30.00		
14	\$16.77	Philadelphia	PA	1,600	1,600	\$3.20	1/10	\$0.23	1/10	\$0.34	\$20.00	Jan-08	
15	\$16.50	Broward County	FL	1,250	625	\$2.50	1/6	\$0.40	1/6	\$0.40	\$24.00	Apr-08	
16	\$16.50	Fort Lauderdale	FL	1,350	672	\$2.50	1/6	\$0.40	1/6	\$0.30	\$18.00	Sep-05	
17	\$16.50	Miami	FL	2,000	2,100	\$2.50	1/6	\$0.40	1/6	\$0.40	\$24.00	Jul-08	
18	\$16.13	Minneapolis	MN	1,800	450	\$2.50	1/5	\$0.47	1/5	\$0.40	\$24.00	Aug-08	
19	\$16.07	Portland	OR	2,000	200	\$2.50	1/10	\$0.23	1/10	\$0.50	\$30.00	Apr-08	
20	\$16.00	Sacramento	CA	1,200	450	\$5.00	1 Mile	\$0.20	1/11	\$0.41	\$25.00	Feb-02	
21	\$15.99	Austin	TX	925	533	\$2.65	1/5	\$0.46	1/5	\$0.45	\$27.00	Mar-11	
22	\$15.91	Cleveland (Cuyphoga Cty.)	OH	2,500	397	\$2.75	1/8	\$0.28	1/8	\$0.30	\$18.00	May-09	
23	\$15.75	Denver	CO	2,465	942	\$2.50	1/9	\$0.25	1/9	\$0.38	\$22.50	Oct-07	
24	\$15.60	Harlingen	TX	120	20	\$4.00	1/5	\$0.40	1/5	\$0.40	\$30.00	Feb-04	
25	\$15.60	Indianapolis	IN	1,607	467	\$4.00	1/5	\$0.40	1/5	\$0.40	\$24.00	Aug-07	
26	\$15.50	Montgomery County	MD	1,000	720	\$4.00	1/4	\$0.50	1/4	\$0.47	\$28.00	Feb-09	
27	\$15.25	Salt Lake City	UT	1,000	268	\$2.25	1/11	\$0.20	1/11	\$0.37	\$22.00	Aug-08	
28	\$15.25	West Palm Beach	FL	1,800	500	\$2.00	1/9	\$0.25	1/9	\$0.40	\$24.00	Mar-05	
29	\$15.18	Pomona	CA	1,000	140	\$2.20	1/10	\$0.22	1/10	\$0.40	\$24.00	Apr-05	
30	\$15.05	Tampa	FL	1,205	613	\$2.00	1/5	\$0.45	1/5	\$0.30	\$18.00	Jun-08	
31	\$14.85	Orlando	FL	1,434	1,000	\$2.20	1/4	\$0.55	1/4	\$0.55	\$24.75	Feb-08	
32	\$14.85	Fairfax County	VA	1,000	576	\$3.25	1/5	\$0.40	1/5	\$0.35	\$21.00	Oct-08	
33	\$14.80	Lubbock	TX	215	24	\$3.00	1/10	\$0.20	1/10	\$35.00	May-08		
34	\$14.50	Glendale (Maricopa Cty.)	AZ	4,282	2,170	\$2.95	1/13	\$0.15	1/13	\$0.47	\$28.00	Aug-08	
35	\$14.50	Phoenix	AZ	4,282	2,170	\$2.95	1/13	\$0.15	1/13	\$0.47	\$28.00	Aug-08	
36	\$14.50	Milwaukee	WI	1,000	325	\$2.75	1/8	\$0.25	1/8	\$0.25	\$15.00	May-06	
37	\$14.50	Birmingham	AL	1,000	182	\$3.00	1/4	\$0.25	1/8	\$0.33	\$20.00	Apr-08	
38	\$14.35	Dallas	TX	3,803	1,955	\$2.25	1/9	\$0.20	1/9	\$0.30	\$18.00	Jun-08	
39	\$14.35	Fort Worth	TX	1,700	255	\$2.25	1/9	\$0.20	1/9	\$0.30	\$18.00	Dec-05	
40	\$14.30	Kansas City	MO	2,000	550	\$2.50	1/10	\$0.20	1/10	\$0.67	\$40.00	Sep-07	
41	\$14.30	St. Louis	MO	1,500	1,200	\$2.50	1/10	\$0.20	1/10	\$24.00	Jun-08		
42	\$14.25	Atlanta	GA	2,500	2,500	\$2.50	1/8	\$0.25	1/8	\$0.35	\$21.00	Nov-05	
43	\$14.10	New York	NY	8,000	13,135	\$2.50	1/5	\$0.40	1/5	\$0.40	\$24.00	May-04	
44	\$13.88	Houston	TX	2,208	2,245	\$2.50	2/11	\$0.17	1/11	\$0.33	\$20.00	Jun-06	
45	\$13.85	Chicago	IL	2,869	6,701	\$3.25	1/9	\$0.20	1/9	\$0.33	\$20.00	May-05	
46	\$13.00	Dayton	OH	1,065	90	\$2.00	1/2	\$0.20	1/10	\$0.00	\$15.00	Apr-02	
47	\$12.60	Memphis	TN	1,200	300	\$2.00	1/9	\$0.20	1/9	\$0.33	\$20.00	Apr-07	
48	\$12.50	San Marcos	TX	60	4	\$2.50	1 Mile	\$2.00	1 Mile	\$30.00	Mar-03		
49	\$11.90	New Orleans	LA	357	1,120	\$2.50	1/8	\$0.20	1/8	\$0.30	\$18.00	Jul-08	
50	\$11.00	San Angelo	TX	101	25	\$1.00	1 Mile	\$2.00	1 Mile	\$0.40	\$25.00	May-01	

* Current rates verified in each city.
** Houston's 6 mile rate reflects the current \$0.50 fuel surcharge added to the amount.
*** Dallas & Ft. Worth 6 mile rate reflects a current \$1.50 per trip fuel surcharge. Worth noting, DFW adds \$2/pass after the 1st.
**** Galveston adds \$1/pass after the 1st. Date of last increase over 3 years ago per city taxicab inspector.
***** Chicago reflects the current \$1.00 fuel surcharge added to the amount.

Taxi Cab Rate Comparison - Texas Cities
Sorted by cost of 6 mile trip

RANK	6 MILE TRIP	CITY	STATE	POP. /000/	# LIC.	DROP CHARGE \$	CHARGE MILE	ADD'L CHARGE \$	ADD'L MILE	TRAFFIC/DELAY \$/MIN.	WAITING TIME \$/HR.	DATE OF INCREASE
1	\$17.85	Midland/Odessa	TX	250	10	\$3.85	1/6	\$0.40	1/6	\$0.25	\$10.00	Nov-08
2	\$17.29	San Antonio	TX	1,300	820	\$2.50	1/5	\$0.51	1/5	\$0.35	\$24.00	Sep-11
3	\$16.80	Galveston	TX	47	50	\$3.00	1/4	\$0.60	1/4		\$30.00	
4	\$15.99	Austin	TX	925	533	\$2.65	1/5	\$0.46	1/5	\$0.45	\$27.00	Mar-11
5	\$15.60	Harlingen	TX	120	20	\$4.00	1/5	\$0.40	1/5	\$0.40	\$30.00	Feb-04
6	\$14.80	Lubbock	TX	215	24	\$3.00	1/10	\$0.20	1/10		\$35.00	May-08
7	\$14.35	Dallas	TX	3,803	1,955	\$2.25	1/9	\$0.20	1/9	\$0.30	\$18.00	Jun-08
8	\$14.35	Fort Worth	TX	1,700	255	\$2.25	1/9	\$0.20	1/9	\$0.30	\$18.00	Dec-05
9	\$13.88	Houston	TX	2,208	2,245	\$2.50	2/11	\$0.17	1/11	\$0.33	\$20.00	Jun-06
10	\$12.50	San Marcos	TX	60	4	\$2.50	1 Mile	\$2.00	1 Mile		\$30.00	Mar-03
11	\$11.00	San Angelo	TX	101	25	\$1.00	1 Mile	\$2.00	1 Mile	\$0.40	\$25.00	May-01

* Current rates verified in each city.

** Houston's 6 mile rate reflects the current \$0.50 fuel surcharge added to the amount.

*** Dallas & Ft. Worth 6 mile rate reflects a current \$1.50 per trip fuel surcharge. Worth noting, DFW adds \$2/pass after the 1st.

**** Galveston adds \$1/pass after the 1st. Date of last increase over 3 years ago per city taxicab inspector.

Source: 2010 TLPA Fact Book

Taxi Cab Rate Comparison - 50 U.S. Cities After Proposed Fare Increase

Sorted by cost of 6 mile trip

RANK	6 MILE TRIP	CITY	STATE	POP. /000/	# LIC.	DROP CHARGE \$	CHARGE MILE	ADD'L CHARGE \$	ADD'L MILE	TRAFFIC/DELAY \$/MIN.	WAITING TIME \$/HR.	DATE OF INCREASE
1	\$21.20	San Jose	CA	1,000	475	\$3.50	1/10	\$0.30	1/10	\$0.40	\$30.00	Oct-08
2	\$20.25	Palm Beach County	FL	1,800	500	\$2.50	1/12	\$0.25	1/12	\$0.40	\$24.00	Mar-08
3	\$19.00	Boston	MA	1,000	1,825	\$2.60	1/7	\$0.40	\$0.40	\$0.40	\$24.00	Sep-08
4	\$18.75	Los Angeles	CA	4,000	1,931	\$2.85	1/9	\$0.30	1/9	\$0.38	\$29.19	Aug-08
5	\$18.50	Rock Island (Quad Cities)	IL	1,000	20	\$6.00	1 Mile	\$2.50	1 Mile		\$30.00	May-07
6	\$17.90	Anaheim (Orange City)	CA	2,958	604	\$2.95	1/4	\$0.65	1/4	\$0.46	\$30.00	Aug-08
7	\$17.85	Midland/Odessa	TX	250	10	\$3.85	1/6	\$0.40	1/6	\$0.25	\$10.00	Nov-08
8	\$17.80	San Diego	CA	1,000	1,000	\$2.40	1/13	\$0.20	1/13	\$0.36	\$21.60	Apr-07
9	\$17.50	Las Vegas	NV	2,000	1,850	\$3.30	1/12	\$0.20	1/12	\$0.36	\$30.00	Jul-08
10	\$17.29	San Antonio	TX	1,300	820	\$2.50	1/5	\$0.51	1/5	\$0.35	\$24.00	Sep-11
11	\$17.25	Lockport	NY	50,000	20	\$6.00	1 Mile	\$2.25	1 Mile		\$60.00	Sep-05
12	\$17.25	Seattle	WA	1,000	643	\$2.50	1/10	\$0.25	1/10	\$0.50	\$30.00	Oct-08
13	\$16.80	Galveston	TX	47	50	\$3.00	1/4	\$0.60	1/4		\$30.00	****
14	\$16.77	Philadelphia	PA	1,600	1,600	\$3.20	1/10	\$0.23	1/10	\$0.34	\$20.00	Jan-08
15	\$16.50	Broward County	FL	1,250	625	\$2.50	1/6	\$0.40	1/6	\$0.40	\$24.00	Apr-08
16	\$16.50	Fort Lauderdale	FL	1,350	672	\$2.50	1/6	\$0.40	1/6	\$0.30	\$18.00	Sep-05
17	\$16.50	Miami	FL	2,000	2,100	\$2.50	1/6	\$0.40	1/6	\$0.40	\$24.00	Jul-08
18	\$16.13	Minneapolis	MN	1,800	450	\$2.50	1/5	\$0.47	1/5	\$0.40	\$24.00	Aug-08
19	\$16.07	Portland	OR	2,000	200	\$2.50	1/10	\$0.23	1/10	\$0.50	\$30.00	Apr-08
20	\$16.00	Sacramento	CA	1,200	450	\$5.00	1 Mile	\$0.20	1/11	\$0.41	\$25.00	Feb-02
21	\$15.99	Austin	TX	925	533	\$2.65	1/5	\$0.46	1/5	\$0.45	\$27.00	Mar-11
22	\$15.91	Cleveland (Cuyahoga Cty.)	OH	2,500	397	\$2.75	1/8	\$0.28	1/8	\$0.30	\$18.00	May-09
23	\$15.75	Denver	CO	2,465	942	\$2.50	1/9	\$0.25	1/9	\$0.38	\$22.50	Oct-07
24	\$15.75	Houston	TX	2,208	2,245	\$2.75	1/11	\$0.20	1/11	\$0.40	\$24.00	Jun-06
25	\$15.60	Harlingen	TX	120	20	\$4.00	1/5	\$0.40	1/5	\$0.40	\$30.00	Feb-04
26	\$15.60	Indianapolis	IN	1,607	467	\$4.00	1/5	\$0.40	1/5	\$0.40	\$24.00	Aug-07
27	\$15.50	Montgomery County	MD	1,000	720	\$4.00	1/4	\$0.50	1/4	\$0.47	\$28.00	Feb-09
28	\$15.25	Salt Lake City	UT	1,000	268	\$2.25	1/11	\$0.20	1/11	\$0.37	\$22.00	Aug-08
29	\$15.25	West Palm Beach	FL	1,800	500	\$2.00	1/9	\$0.25	1/9	\$0.40	\$24.00	Mar-05
30	\$15.18	Pomona	CA	1,000	140	\$2.20	1/10	\$0.22	1/10	\$0.40	\$24.00	Apr-05
31	\$15.05	Tampa	FL	1,205	613	\$2.00	1/5	\$0.45	1/5		\$18.00	Jun-08
32	\$14.85	Orlando	FL	1,434	1,000	\$2.20	1/4	\$0.55	1/4	\$0.55	\$24.75	Feb-08
33	\$14.85	Fairfax County	VA	1,000	576	\$3.25	1/5	\$0.40	1/5	\$0.35	\$21.00	Oct-08
34	\$14.80	Lubbock	TX	215	24	\$3.00	1/10	\$0.20	1/10		\$35.00	May-08
35	\$14.50	Glendale (Maricopa Cty.)	AZ	4,282	2,170	\$2.95	1/13	\$0.15	1/13	\$0.47	\$28.00	Aug-08
36	\$14.50	Phoenix	AZ	4,282	2,170	\$2.95	1/13	\$0.15	1/13	\$0.47	\$28.00	Aug-08
37	\$14.50	Milwaukee	WI	1,000	325	\$2.75	1/8	\$0.25	1/8	\$0.25	\$15.00	May-06
38	\$14.50	Birmingham	AL	1,000	182	\$3.00	1/4	\$0.25	1/4	\$0.33	\$20.00	Apr-08
39	\$14.35	Dallas	TX	3,803	1,955	\$2.25	1/9	\$0.20	1/9	\$0.30	\$18.00	Jun-08
40	\$14.35	Fort Worth	TX	1,700	255	\$2.25	1/9	\$0.20	1/9	\$0.30	\$18.00	Dec-05
41	\$14.30	Kansas City	MO	2,000	550	\$2.50	1/10	\$0.20	1/10	\$0.67	\$40.00	Sep-07
42	\$14.30	St. Louis	MO	1,500	1,200	\$2.50	1/10	\$0.20	1/10		\$24.00	Jun-08
43	\$14.25	Atlanta	GA	2,500	2,500	\$2.50	1/8	\$0.25	1/8	\$0.35	\$21.00	Nov-05
44	\$14.10	New York	NY	8,000	13,135	\$2.50	1/5	\$0.40	1/5	\$0.40	\$24.00	May-04
45	\$13.85	Chicago	IL	2,869	6,701	\$3.25	1/9	\$0.20	1/9	\$0.33	\$20.00	May-05
46	\$13.00	Dayton	OH	1,065	90	\$2.00	1/2	\$0.20	1/2	\$0.00	\$15.00	Apr-02
47	\$12.60	Memphis	TN	1,200	300	\$2.00	1/9	\$0.20	1/9	\$0.33	\$20.00	Apr-07
48	\$12.50	San Marcos	TX	60	4	\$2.50	1 Mile	\$2.00	1 Mile		\$30.00	Mar-03
49	\$11.90	New Orleans	LA	357	1,120	\$2.50	1/8	\$0.20	1/8	\$0.30	\$18.00	Jul-08
50	\$11.00	San Angelo	TX	101	25	\$1.00	1 Mile	\$2.00	1 Mile		\$25.00	May-01

* Current rates verified in each city

** Houston's 6 mile rate reflects the current \$0.50 fuel surcharge added to the amount.

*** Dallas & Ft. Worth 6 mile rate reflects a current \$1.50 per trip fuel surcharge. Worth noting, DFW adds \$2/pass after the 1st.

**** Galveston adds \$1/pass after the 1st. Date of last increase over 3 years ago per city taxicab inspector.

***** Chicago reflects the current \$1.00 fuel surcharge added to the amount.

Source: 2010 TLPA Fact Book

Taxi Cab Rate Comparison - Texas Cities After Proposed Fare Increase
Sorted by cost of 6 mile trip

RANK	6 MILE TRIP		CITY	STATE	POP. /000/	# LIC.	DROP CHARGE \$		CHARGE MILE	ADD'L CHARGE \$		ADD'L MILE	TRAFFIC/DELAY \$/MIN.	WAITING TIME \$/HR.	DATE OF INCREASE
	TRIP														
1	\$17.85	Midland/Odessa	TX		250	10	\$3.85		1/6	\$0.40		1/6	\$0.25	\$10.00	Nov-08
2	\$17.29	San Antonio	TX		1,300	820	\$2.50		1/5	\$0.51		1/5	\$0.35	\$24.00	Sep-11
3	\$16.80	Galveston	TX		47	50	\$3.00		1/4	\$0.60		1/4		\$30.00	
4	\$15.99	Austin	TX		925	533	\$2.65		1/5	\$0.46		1/5	\$0.45	\$27.00	Mar-11
5	\$15.75	Houston	TX		2,208	2,245	\$2.75		1/11	\$0.20		1/11	\$0.40	\$24.00	Jun-06
6	\$15.60	Harlingen	TX		120	20	\$4.00		1/5	\$0.40		1/5	\$0.40	\$30.00	Feb-04
7	\$14.80	Lubbock	TX		215	24	\$3.00		1/10	\$0.20		1/10		\$35.00	May-08
8	\$14.35	Dallas	TX		3,803	1,955	\$2.25		1/9	\$0.20		1/9	\$0.30	\$18.00	Jun-08
9	\$14.35	Fort Worth	TX		1,700	255	\$2.25		1/9	\$0.20		1/9	\$0.30	\$18.00	Dec-05
10	\$12.50	San Marcos	TX		60	4	\$2.50		1 Mile	\$2.00		1 Mile		\$30.00	Mar-03
11	\$11.00	San Angelo	TX		101	25	\$1.00		1 Mile	\$2.00		1 Mile	\$0.40	\$25.00	May-01

* Current rates verified in each city.

** Houston's 6 mile rate reflects the current \$0.50 fuel surcharge added to the amount.

*** Dallas & Ft. Worth 6 mile rate reflects a current \$1.50 per trip fuel surcharge. Worth noting, DFW adds \$2/pass after the 1st.

**** Galveston not reflected adds \$1/pass after the 1st. Date of last increase over 3 years ago per city taxicab inspector.

Source: 2010 TLPA Fact Book

City of Houston



Administration &
Regulatory Affairs

Exhibit VI
Rate Proposal from 444 Taxi

			Actual rate per mile			
Schudule Rates per mile			Includes mtere drop and			
	\$ 1.87	3.5/2.1	1ST mile charge charge			
Miles	\$ 1.87	\$ 2.05	\$ 0.23	8.78%	\$ 0.18	9.63%
1	\$ 4.03	\$ 4.68	\$ 4.68	13.89%	\$ 0.65	16.13% 5.18
2	\$ 5.90	\$ 6.68	\$ 3.34	11.68%	\$ 0.78	13.22% -0.5
3	\$ 7.77	\$ 8.68	\$ 2.89	10.48%	\$ 0.91	11.71% 4.68
4	\$ 9.64	\$ 10.68	\$ 2.67	9.74%	\$ 1.04	10.79%
5	\$ 11.51	\$ 12.68	\$ 2.54	9.23%	\$ 1.17	10.17%
6	\$ 13.38	\$ 14.68	\$ 2.45	8.86%	\$ 1.30	9.72%
7	\$ 15.25	\$ 16.68	\$ 2.38	8.57%	\$ 1.43	9.38%
8	\$ 17.12	\$ 18.68	\$ 2.34	8.35%	\$ 1.56	9.11%
9	\$ 18.99	\$ 20.68	\$ 2.30	8.17%	\$ 1.69	8.90%
10	\$ 20.86	\$ 22.68	\$ 2.27	8.02%	\$ 1.82	8.72%
11	\$ 22.73	\$ 24.68	\$ 2.24	7.90%	\$ 1.95	8.58%
12	\$ 24.60	\$ 26.68	\$ 2.22	7.80%	\$ 2.08	8.46%
13	\$ 26.47	\$ 28.68	\$ 2.21	7.71%	\$ 2.21	8.35%
14	\$ 28.34	\$ 30.68	\$ 2.19	7.63%	\$ 2.34	8.26%
15	\$ 30.21	\$ 32.68	\$ 2.18	7.56%	\$ 2.47	8.18%
16	\$ 32.08	\$ 34.68	\$ 2.17	7.50%	\$ 2.60	8.10%
17	\$ 33.95	\$ 36.68	\$ 2.16	7.44%	\$ 2.73	8.04%
18	\$ 35.82	\$ 38.68	\$ 2.15	7.39%	\$ 2.86	7.98%
19	\$ 37.69	\$ 40.78	\$ 2.15		\$ 3.09	
20	\$ 39.56	\$ 42.88	\$ 2.14		\$ 3.32	
21	\$ 41.43	\$ 44.98	\$ 2.14		\$ 3.55	
22	\$ 43.30	\$ 47.08	\$ 2.14		\$ 3.78	
23	\$ 45.17	\$ 49.18	\$ 2.14		\$ 4.01	
24	\$ 47.04	\$ 51.28	\$ 2.14		\$ 4.24	
25	\$ 48.91	\$ 53.38	\$ 2.14		\$ 4.47	
26	\$ 50.78	\$ 55.48	\$ 2.13		\$ 4.70	
27	\$ 52.65	\$ 57.58	\$ 2.13		\$ 4.93	
28	\$ 54.52	\$ 59.68	\$ 2.13		\$ 5.16	
29	\$ 56.39	\$ 61.78	\$ 2.13		\$ 5.39	
30	\$ 58.26	\$ 63.88	\$ 2.13		\$ 5.62	
31	\$ 60.13	\$ 65.98	\$ 2.13		\$ 5.85	
32	\$ 62.00	\$ 68.08	\$ 2.13		\$ 6.08	
33	\$ 63.87	\$ 70.18	\$ 2.13		\$ 6.31	
34	\$ 65.74	\$ 72.28	\$ 2.13		\$ 6.54	
35	\$ 67.61	\$ 74.38	\$ 2.13		\$ 6.77	
36	\$ 69.48	\$ 76.48	\$ 2.12		\$ 7.00	
37	\$ 71.35	\$ 78.58	\$ 2.12		\$ 7.23	
38	\$ 73.22	\$ 80.68	\$ 2.12			
39	\$ 75.09	\$ 82.78	\$ 2.12			
40	\$ 76.96	\$ 84.88	\$ 2.12			

41	\$	78.83	\$	86.98	\$	2.12
42	\$	80.70	\$	89.08	\$	2.12
43	\$	82.57	\$	91.18	\$	2.12
44	\$	84.44	\$	93.28	\$	2.12
45	\$	86.31	\$	95.38	\$	2.12
46	\$	88.18	\$	97.48	\$	2.12
47	\$	90.05	\$	99.58	\$	2.12
48	\$	91.92	\$	101.68	\$	2.12
49	\$	93.79	\$	103.78	\$	2.12
50	\$	95.66	\$	105.88	\$	2.12
51	\$	97.53	\$	107.98	\$	2.12
52	\$	99.40	\$	110.08	\$	2.12
53	\$	101.27	\$	112.18	\$	2.12
54	\$	103.14	\$	114.28	\$	2.12
55	\$	105.01	\$	116.38	\$	2.12
56	\$	106.88	\$	118.48	\$	2.12
57	\$	108.75	\$	120.58	\$	2.12
58	\$	110.62	\$	122.68	\$	2.12
59	\$	112.49	\$	124.78	\$	2.11
60	\$	114.36	\$	126.88	\$	2.11
61	\$	116.23	\$	128.98	\$	2.11
62	\$	118.10	\$	131.08	\$	2.11
63	\$	119.97	\$	133.18	\$	2.11
64	\$	121.84	\$	135.28	\$	2.11
65	\$	123.71	\$	137.38	\$	2.11
66	\$	125.58	\$	139.48	\$	2.11
67	\$	127.45	\$	141.58	\$	2.11
68	\$	129.32	\$	143.68	\$	2.11
69	\$	131.19	\$	145.78	\$	2.11
70	\$	133.06	\$	147.88	\$	2.11
71	\$	134.93	\$	149.98	\$	2.11
72	\$	136.80	\$	152.08	\$	2.11
73	\$	138.67	\$	154.18	\$	2.11
74	\$	140.54	\$	156.28	\$	2.11
75	\$	142.41	\$	158.38	\$	2.11
76	\$	144.28	\$	160.48	\$	2.11
77	\$	146.15	\$	162.58	\$	2.11
78	\$	148.02	\$	164.68	\$	2.11
79	\$	149.89	\$	166.78	\$	2.11
80	\$	151.76	\$	168.88	\$	2.11
81	\$	153.63	\$	170.98	\$	2.11
82	\$	155.50	\$	173.08	\$	2.11
83	\$	157.37	\$	175.18	\$	2.11
84	\$	159.24	\$	177.28	\$	2.11
85	\$	161.11	\$	179.38	\$	2.11
86	\$	162.98	\$	181.48	\$	2.11
87	\$	164.85	\$	183.58	\$	2.11

88	\$ 166.72	\$ 185.68	\$ 2.11
89	\$ 168.59	\$ 187.78	\$ 2.11
90	\$ 170.46	\$ 189.88	\$ 2.11
91	\$ 172.33	\$ 191.98	\$ 2.11
92	\$ 174.20	\$ 194.08	\$ 2.11
93	\$ 176.07	\$ 196.18	\$ 2.11
94	\$ 177.94	\$ 198.28	\$ 2.11
95	\$ 179.81	\$ 200.38	\$ 2.11
96	\$ 181.68	\$ 202.48	\$ 2.11
97	\$ 183.55	\$ 204.58	\$ 2.11
98	\$ 185.42	\$ 206.68	\$ 2.11
99	\$ 187.29	\$ 208.78	\$ 2.11
100	\$ 189.16	\$ 210.88	\$ 2.11

Texas Cities Taxi Rates

	pop	Meter drop	per mile	Waittime	Minimum Airport fee	Fuel Surchargr	
San Antoino	1.3 Million	\$ 2.50 1/6	\$ 2.45	\$ 24.00	\$ 10.50	yes	1/5/2007
Dallas	1.1 Million	\$ 2.25 1/9	\$ 1.80	\$ 18.00		YES	
					\$ 18.00	DFW	
Austin	790,000	\$ 2.65 1/5	\$ 2.65	\$ 27.00	\$ 13.50	Airport Property	
Fort Worth	741,000				\$ 7.00	between terminals	
El Paso	649,000	\$ 1.65 1/5	\$ 2.25	\$ 18.00			5/23/2006
Arlington	365,000	\$ 2.75 1/5	\$ 2.00	\$ 22.50		YES	

IAH Zone	Current	13.70% Increase		A	B Rounded + \$1.25/1.87	C 2.5/1.87	D 3/2.1	E 3.50/2.1
1	\$ 38.00	13.70% \$ 5.21		\$ 43.21	44	\$ 18.98	\$ 19.52	\$ 19.29
2	\$ 44.50	13.70% \$ 6.10		\$ 50.60	51.5	\$ 22.46	\$ 23.10	\$ 22.86
3	\$ 51.00	13.70% \$ 6.99		\$ 57.99	59	\$ 25.94	\$ 26.67	\$ 26.43
4	\$ 55.00	13.70% \$ 7.54		\$ 62.54	63.5	\$ 28.07	\$ 28.81	\$ 28.57
5	\$ 62.00	13.70% \$ 8.49		\$ 70.49	71.5	\$ 31.82	\$ 32.62	\$ 32.38
6	\$ 69.00	13.70% \$ 9.45		\$ 78.45	76.5	\$ 35.56	\$ 35.00	\$ 34.76
7	\$ 74.50	13.70% \$ 10.21		\$ 84.71	85.5	\$ 38.50	\$ 39.29	\$ 39.05
8	\$ 88.50	13.70% \$ 12.12		\$ 100.62	100	\$ 45.99	\$ 46.19	\$ 45.95
9	\$ 28.50	13.70% \$ 3.90		\$ 32.40	33.5	\$ 13.90	\$ 14.52	\$ 14.29
10	\$ 35.00	13.70% \$ 4.80		\$ 39.80	41	\$ 17.38	\$ 18.10	\$ 17.86

HOU
Zone

1	\$ 27.00	13.70% \$ 3.70		\$ 30.70	31	\$ 13.10	\$ 13.33	\$ 13.10
2	\$ 22.00	13.70% \$ 3.01		\$ 25.01	25	\$ 10.43	\$ 10.48	\$ 10.24
3	\$ 33.00	13.70% \$ 4.52		\$ 37.52	38.5	\$ 16.31	\$ 16.90	\$ 16.67
4	\$ 46.00	13.70% \$ 6.30		\$ 52.30	53	\$ 23.26	\$ 23.81	\$ 23.57
5	\$ 52.00	13.70% \$ 7.12		\$ 59.12	60	\$ 26.47	\$ 27.14	\$ 26.90
6	\$ 59.50	13.70% \$ 8.15		\$ 67.65	65.5	\$ 30.48	\$ 29.76	\$ 29.52
7	\$ 68.50	13.70% \$ 9.38		\$ 77.88	78	\$ 35.29	\$ 35.71	\$ 35.48
8	\$ 60.50	13.70% \$ 8.29		\$ 68.79	70	\$ 31.02	\$ 31.90	\$ 31.67
9	\$ 31.50	13.70% \$ 4.32		\$ 35.82	37	\$ 15.51	\$ 16.19	\$ 15.95
10	\$ 73.00	13.70% \$ 10.00		\$ 83.00	83	\$ 37.70	\$ 38.10	\$ 37.86
11	\$ 67.50	13.70% \$ 9.25		\$ 76.75	77	\$ 34.76	\$ 35.24	\$ 35.00

							Old	New
							# miles	#miles
IAH			Caculated	Actual	A	B	C	E
Zone	Current	13.70%	Increase	Increase		Rounded	2.5/1.87	3.50/2.1
						plus a 1.00		
1	\$ 38.00	13.70%	\$ 5.21	\$ 6.00	\$ 43.21	44	18.98	19.29
2	\$ 44.50	13.70%	\$ 6.10	\$ 7.00	\$ 50.60	51.5	22.46	22.86
3	\$ 51.00	13.70%	\$ 6.99	\$ 8.00	\$ 57.99	59	25.94	26.43
4	\$ 55.00	13.70%	\$ 7.54	\$ 8.50	\$ 62.54	63.5	28.07	28.57
5	\$ 62.00	13.70%	\$ 8.49	\$ 9.50	\$ 70.49	71.5	31.82	32.38
6	\$ 69.00	13.70%	\$ 9.45	\$ 7.50	\$ 78.45	76.5	35.56	34.76
7	\$ 74.50	13.70%	\$ 10.21	\$ 11.00	\$ 84.71	85.5	38.50	39.05
8	\$ 88.50	13.70%	\$ 12.12	\$ 11.50	\$ 100.62	100	45.99	45.95

9	\$ 28.50	13.70%	\$ 3.90	\$ 5.00	\$ 32.40	33.5	13.90	14.29
10	\$ 35.00	13.70%	\$ 4.80	\$ 6.00	\$ 39.80	41	17.38	17.86
				\$ -				
HOU				\$ -				
Zone				\$ -				
1	\$ 27.00	13.70%	\$ 3.70	\$ 4.00	\$ 30.70	31	13.10	13.10
2	\$ 22.00	13.70%	\$ 3.01	\$ 3.00	\$ 25.01	25	10.43	10.24
3	\$ 33.00	13.70%	\$ 4.52	\$ 5.50	\$ 37.52	38.5	16.31	16.67
4	\$ 46.00	13.70%	\$ 6.30	\$ 7.00	\$ 52.30	53	23.26	23.57
5	\$ 52.00	13.70%	\$ 7.12	\$ 8.00	\$ 59.12	60	26.47	26.90
6	\$ 59.50	13.70%	\$ 8.15	\$ 8.50	\$ 67.65	68	30.48	30.71
7	\$ 68.50	13.70%	\$ 9.38	\$ 9.50	\$ 77.88	78	35.29	35.48
8	\$ 60.50	13.70%	\$ 8.29	\$ 9.00	\$ 68.79	69.5	31.02	31.43
9	\$ 31.50	13.70%	\$ 4.32	\$ 5.50	\$ 35.82	37	15.51	15.95
10	\$ 73.00	13.70%	\$ 10.00	\$ 10.00	\$ 83.00	83	37.70	37.86
11	\$ 67.50	13.70%	\$ 9.25	\$ 9.50	\$ 76.75	77	34.76	35.00

							Old	New
							# miles	#miles
IAH			Caculated	Actual	A	B	C	E
Zone	Current	13.70%	Increase	Increase		Rouded	2.5/1.87	3.50/2.1
						plus a\$ 1		
1	\$ 38.00	13.70%	\$ 5.21	\$ 6.00	\$ 43.21	\$ 44.00	18.98	19.29
2	\$ 44.50	13.70%	\$ 6.10	\$ 7.00	\$ 50.60	\$ 51.50	22.46	22.86
3	\$ 51.00	13.70%	\$ 6.99	\$ 8.00	\$ 57.99	\$ 59.00	25.94	26.43
4	\$ 55.00	13.70%	\$ 7.54	\$ 8.50	\$ 62.54	\$ 63.50	28.07	28.57
5	\$ 62.00	13.70%	\$ 8.49	\$ 9.50	\$ 70.49	\$ 71.50	31.82	32.38
6	\$ 69.00	13.70%	\$ 9.45	\$ 7.50	\$ 78.45	\$ 76.50	35.56	34.76
7	\$ 74.50	13.70%	\$ 10.21	\$ 11.00	\$ 84.71	\$ 85.50	38.50	39.05
8	\$ 88.50	13.70%	\$ 12.12	\$ 11.50	\$ 100.62	\$ 100.00	45.99	45.95
9	\$ 28.50	13.70%	\$ 3.90	\$ 5.00	\$ 32.40	\$ 33.50	13.90	14.29
10	\$ 35.00	13.70%	\$ 4.80	\$ 6.00	\$ 39.80	\$ 41.00	17.38	17.86
HOU								
Zone								
1	\$ 27.00	13.70%	\$ 3.70	\$ 4.00	\$ 30.70	\$ 31.00	13.10	13.10
2	\$ 22.00	13.70%	\$ 3.01	\$ 3.00	\$ 25.01	\$ 25.00	10.43	10.24
3	\$ 33.00	13.70%	\$ 4.52	\$ 5.50	\$ 37.52	\$ 38.50	16.31	16.67
4	\$ 46.00	13.70%	\$ 6.30	\$ 7.00	\$ 52.30	\$ 53.00	23.26	23.57
5	\$ 52.00	13.70%	\$ 7.12	\$ 8.00	\$ 59.12	\$ 60.00	26.47	26.90
6	\$ 59.50	13.70%	\$ 8.15	\$ 8.50	\$ 67.65	\$ 68.00	30.48	30.71
7	\$ 68.50	13.70%	\$ 9.38	\$ 9.50	\$ 77.88	\$ 78.00	35.29	35.48
8	\$ 60.50	13.70%	\$ 8.29	\$ 9.00	\$ 68.79	\$ 69.50	31.02	31.43
9	\$ 31.50	13.70%	\$ 4.32	\$ 5.50	\$ 35.82	\$ 37.00	15.51	15.95
10	\$ 73.00	13.70%	\$ 10.00	\$ 10.00	\$ 83.00	\$ 83.00	37.70	37.86
11	\$ 67.50	13.70%	\$ 9.25	\$ 9.50	\$ 76.75	\$ 77.00	34.76	35.00

12-Month Percent Change—Houston, TX: Consumer Price Index, Pop. Index & Date of the Rate Adjustment

Series Id: CUURA318SA0, CUUSA318SA0

Not Seasonally Adjusted

Area:

Item: All items

Base Period: 1982-84=100

Top of Form

Download:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Houston Regional Annual CPI	Houston Pop Index	CUS April 1, Adjustment	CUS Rate Adjustment
2004		2.7		4.4		4.2		3		3.4		3.6	3.5	na	4/1/2005	3.5
2005		3.6		3.1		2.9		3.8		4.3		4.2	3.6	na	4/1/2006	3.6
2006		2.3		3.5		4.7		4		0.7		1.1	2.8	na	4/1/2007	2.8
2007		1.5		1.6		1.2		0.7		2.5		3.9	1.8	na	4/1/2008	1.8
2008		3.5		2.5		4.9		4.9		3.4		-0.2	3.3	1.8	4/1/2009	5.1
2009		0.2		0.5		-0.6		-0.5		0.2		2.7	0.3	na	4/1/2010	0.3
2010		2.4		2.3		1.3		1.8		1.8		1.9	1.9	na	4/1/2011	1.9
2011		2.5														

Bottom of Form

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How Much Does the Taxi Cost? - Estimate Your Taxi Cab Fare & Rates



TaxiFinder App

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Any US C

Summary Taxi Rates for Major US Cities

This page summarizes the taxi fare rates in major US cities

The chart is sorted by estimated fare of a typical 5 mile trip, indicating that Boston may be the most expensive city for taking a taxicab.

The chart is as of 2/13/2011 for reference only. TaxiFareFinder does not guarantee the status or accuracy of the figures. Please also note that some of the taxi rates are estimated, especially in cases where the rates are not regulated by the city ordinances and may vary by company.

Note: Any surcharges are not included.

City	5 Mile Trip (10 min)	Initial Charge	Add. Charge (per mile)	Charge (per increment)	Initial Increment (mile)	Add. Increments (mile)	Wait Time Charge (per hour)
Boston	\$16.52	\$2.60	\$2.80	\$0.40	1/7	1/7	\$28.00
Kansas City	\$15.96	\$2.50	\$2.10	\$0.21	1/10	1/10	\$40.00
Los Angeles	\$15.69	\$2.65	\$2.45	\$0.35	1/7	1/7	\$26.53
Honolulu	\$15.20	\$2.25	\$2.40	\$0.30	1/8	1/8	\$27.00
Philadelphia	\$14.92	\$2.70	\$2.30	\$0.23	1/7	1/10	\$30.00
Las Vegas	\$14.78	\$3.30	\$2.40	\$0.22	1/11	1/11	\$30.00
San Francisco	\$14.55	\$3.10	\$2.25	\$0.45	1/5	1/5	\$27.00
Orlando	\$14.50	\$3.00	\$2.50	\$2.50	-	1/1	\$22.50
San Diego	\$14.41	\$2.40	\$2.60	\$0.26	1/10	1/10	\$20.00
Denver	\$14.00	\$2.50	\$2.25	\$0.25	1/9	1/9	\$22.50
Miami	\$13.80	\$2.50	\$2.40	\$0.40	1/6	1/6	\$24.00
Minneapolis	\$13.57	\$2.50	\$2.35	\$0.47	1/5	1/5	\$24.00
Seattle	\$13.50	\$2.50	\$2.00	\$0.20	-	1/10	\$30.00
New York	\$12.90	\$2.50	\$2.00	\$0.40	1/5	1/5	\$24.00
Detroit	\$12.84	\$3.00	\$2.25	\$0.28	1/8	1/8	\$24.00
Portland	\$12.77	\$2.50	\$2.30	\$0.23	1/10	1/10	\$15.00
Cleveland	\$12.75	\$2.25	\$2.00	\$0.50	1/8	1/4	\$18.00
Atlanta	\$12.55	\$2.50	\$2.00	\$0.25	1/8	1/8	\$21.00
Milwaukee	\$11.88	\$2.25	\$2.00	\$0.25	1/8	1/8	\$15.00
Phoenix-Scottsdale	\$11.50	\$2.50	\$1.80	\$0.30	-	1/6	\$19.80
Baltimore	\$11.00	\$2.00	\$1.80	\$0.23	-	1/8	\$24.00
Houston	\$10.53	\$2.50	\$1.87	\$0.17	2/11	1/11	\$20.00
Dallas	\$10.30	\$2.25	\$1.80	\$0.20	1/9	1/9	\$18.00
Pittsburgh	\$10.00	\$2.25	\$1.75	\$0.25	1/7	1/7	\$9.00
Washington	\$9.25	\$3.00	\$1.50	\$0.25	1/6	1/6	\$15.00
Salt Lake City	\$9.07	\$2.00	\$1.50	\$0.19	1/8	1/8	\$22.00
Chicago	\$8.80	\$2.25	\$1.80	\$0.20	1/9	1/9	\$0.00
St. Louis	\$8.33	\$2.50	\$1.70	\$0.17	1/10	1/10	\$22.00

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City of Houston



Administration &
Regulatory Affairs

Exhibit VII
Comments from Taxicab Stakeholders Resulting from the
February 3, 2012 Taxicab Stakeholder Meeting

Paez, Tina - ARA

From: Demessie [demessie@aol.com]
Sent: Sunday, February 05, 2012 11:57 AM
To: Paez, Tina - ARA
Subject: Fwd: Taxicab Meter Rate Increase Presentation
Attachments: First_Stakeholder_Meeting_forTaxicab_Changes_-_updated_new_drop_2_3_12.pptx; Industry_Proposal_1.pdf; Industry_Proposal_2.pdf

Thank you for job you did I support this proposal
Mengistu Demessie
National Cab Co.

Thank you so much for your attendance at today's taxicab stakeholder meeting. As promised, attached is the powerpoint from today's presentation. Included in that document is our DRAFT proposal for the taxicab rate increase (slide 5).

-----Original Message-----

From: Paez, Tina - ARA <Tina.Paez@houstontx.gov>
To: Solomon Ephrem (E-mail) (centralcabhouston@yahoo.com) <centralcabhouston@yahoo.com>; harrisjr.eddie <harrisjr.eddie@yahoo.com>; Duanehk <Duanehk@aol.com>; Paul Mina <pmina@taxipass.com>; Mestin Ephrem (E-mail) (mephrem1@yahoo.com) <mephrem1@yahoo.com>; wellingby <wellingby@comcast.net>; aspdesigns <aspdesigns@netzero.net>; Floyd Kaminski <fkaminski@houstonyellowcab.com>; UHTDA Managing Team <uhtda2011@gmail.com>; Roman Martinez <rmartinez@houstonyellowcab.com>; I.bekele <I.bekele@yahoo.com>; I.belcele <I.belcele@yahoo.com>; jhawk853 <jhawk853@gmail.com>; Erich Reindl <EReindl@avantilimos.com>; agulex2 <agulex2@yahoo.com>; sisay.bhl <sisay.bhl@yahoo.com>; haiwandhailu <haiwandhailu@yahoo.com>; Ricky Kamins (Rickam5327@aol.com) <Rickam5327@aol.com>; chittchatting <chittchatting@aol.com>; business <business@vaughtinsurance.com>; kitessa <kitessa@gmail.com>; welcomecab_2201 <welcomecab_2201@yahoo.com>; ykmarian <ykmarian@yahoo.com>; gsebit <gsebit@yahoo.com>; diogenesquest <diogenesquest@gmail.com>; Michael Holt <kidcider@gmail.com>; chris <chris@chrisbelllaw.com>; demessie <demessie@aol.com>; rasheedelias <rasheedelias@yahoo.com>
Cc: Bruning, Kathryn - HPC-ARA <Kathryn.Bruning@houstontx.gov>; Cooper, Nikki - HPC-ARA <Nikki.Cooper@houstontx.gov>; Olguin, Juan - ARA <Juan.Olguin@houstontx.gov>; Talley, Alisa - ARA <Alisa.Talley@houstontx.gov>; Newport, Christopher - ARA <Christopher.Newport@houstontx.gov>
Sent: Fri, Feb 3, 2012 5:56 pm
Subject: Taxicab Meter Rate Increase Presentation

All,

Thank you so much for your attendance at today's taxicab stakeholder meeting. As promised, attached is the powerpoint from today's presentation. Included in that document is our DRAFT proposal for the taxicab rate increase (slide 5).

We also received two rate proposals from industry. I have attached those as well.

Please review these carefully and let us know your thoughts.

Please send me your comments no later than 5 p.m. next Friday, February 10th.

Thank you and have a very good weekend!

Regards,
Tina

*Tina Paez, Deputy Director
City of Houston
Administration & Regulatory Affairs Department*

Paez, Tina - ARA

From: kidcider@gmail.com
Sent: Tuesday, February 07, 2012 9:07 AM
To: Paez, Tina - ARA
Subject: Taxi Meter rate increase

Tina,

Some thoughts on the rate increase, more later

First as to the drivers complaint about lease rates. yes they are correct leases will go up with any rate increase. This for many reasons, the ones you stated I.E our cost doing business, permit fees, equipment replacement, cost of personal etc. But the main reason is that mainly due to poor decisions made by liberty cab who kept lowering lease rates as the were losing drivers and my opinion the quickness that Solomon chooses to follow their lead has caused lease rates to fall to the rates I was paying in 1997.

Current permit lease rate is less than a dollar per hour, closer to .90 per hour when calculated on 7 day week or 168 hours in a week.

Just remember the rate increase on just downtown trips is \$10.00 higher, so any increase in lease rates will easily be paid for in one or two downtown trips per week.

In the rate increase I suggest a minimum fare from all trips originating from IAH of \$12 to \$15 range

And if you consider allowing a per passenger charge, that it only apply to trips originating at IAH. Trips to IAH are already \$3 cheaper due to no airport pick up fee. And excludes the charge for child under the age of 13.

The removal of the requirement for zone rate maps on the front windshield the are practically useless and cost up \$7.00 each, thus saving me up to \$14 per car or my company \$1134.00 per rate change Sec 46.32.b

As much as I hate more signs in the cabs, but a sign stating no that there is no fee for using a credit card. And that clearly let the customer know that there is a \$4.50 voucher fee if using taxi pass voucher system or the new 444 Taxi Group Voucher system and that clearly states that the customer can use a credit card without the voucher system voucher fee;

Surcharge for credit card use is not allowed.

Use of Taxipass Payment fee incurs a \$4.50 charge.

Customer has choice of no fee credit card payment or

TAXIPASS payment option which incurs a voucher fee of \$4.50

Or simply

A Customer utilizing the Taxipass is entitled to a discount equal to the taxipass charge

IAH driver manual states; the red lettering is highlighted by HAS underling is mine

13. TAXIPASS Credit Card System:

TaxiPass is a leading technology provider of credit card solutions for the taxi industry nationwide. TaxiPass accepts all major credit cards. A fee applies to all taxi pass authorization vouchers and additional fee(s) apply to additional vouchers required to pay for the cost of the trip. Please notify the passenger when using the TaxiPass system. Payment procedures for vouchers received from customers after the trip will be for the driver to simply come to the Staging Lot and present the voucher to the TaxiPass agent for payment or use the kiosk for account deposits. This procedure will allow the driver to get real time funding for their credit card vouchers; both ones that are generated through the existing system and ones generated through TaxiPass. In short, Drivers will be able to come to TaxiPass' parking spot at the Staging Lot area to get reimbursed for credit card transactions.

Using or offering TaxiPass does not relieve the Driver of the responsibility for having a regular credit card machine and offering to take regular credit cards if the customer does not want to participate in the TaxiPass System.

13. TAXIPASS Credit Card System:

- TaxiPass is a leading technology provider of credit card solutions for the taxi industry nationwide. TaxiPass accepts all major credit cards. A fee applies to all taxi pass authorization vouchers and additional fee(s) apply to additional vouchers required to pay for the cost of the trip. Please notify the passenger when using the TaxiPass system. Payment procedures for vouchers received from customers after the trip will be for the driver to simply come to the Staging Lot and present the voucher to the TaxiPass agent for payment or use the kiosk for account deposits. This procedure will allow the driver to get real time funding for their credit card vouchers; both ones that are generated through the existing system and ones generated through TaxiPass. In short, Drivers will be able to come to TaxiPass' parking spot at the Staging Lot area to get reimbursed for credit card transactions.

- Using or offering TaxiPass does not relieve the Driver of the responsibility for having a regular credit card machine and offering to take regular credit cards if the customer does not want to participate in the TaxiPass System.

14. ALL DRIVERS MUST ACCEPT ALL MAJOR CREDIT CARD

- **All drivers must accept all major credit cards and any trip must be accepted regardless of the passenger's destination. This included regular credit card service instead of TaxiPass.**

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Greater Houston

Small Cab Co. owners Association

8541 W. Bellfort ave suite H

Houston, TX. 77071

713-446-8679, aspdesigns@netzero.net

January 31, 2012

To: Tina Paez, Deputy Director
City Of Houston
Administration & Regulatory Affairs Department

Dear Madam:

Thank you for inviting us to attend a stakeholder meeting to consider the proposed increase to the Taxi meter rates outlined in section 46-31 of the code of ordinance. On behalf of our association members, I would like to present the following proposals relating the Taxi cab rates and fares.

It is obvious that the meter calibration as well as the Zone rate is intended to charge the customers fairly and reasonably to the services they demand; but the current rates and charges are way over due to meet the services given as the economy improves. To mention some rationale to help reasonably increase the meter and zone rates are: - 1) to match the annual fee for the permit increases of about 30%-35%; 2) The price of vehicles has almost doubled; 3) Vehicle maintenance, gasoline, and all services and necessary goods that have shown dramatic increases of about 40% or more; 4) It has been more than 5 years since the last increase occurred.

Hence our association proposes the following amendments and increases:

Meter: -The meter rate needs a fair increase,

-There needs to be **additional fee for extra passenger** (\$2.50- \$3.00 per Person), like most cities in the country. (Example Dallas)

Zone Rate: We believe the purpose of the zone rate is, the maximum fee the Customer has to be charged; and need to be measured by the meter.

-The zone rate needs to match the maximum meter rate.

- Downtown flat rate needs to be increased to \$10.00/trip.

We appreciate your understanding and cooperation as we always strive to work with the City to provide efficient and professional service to the residents and Guests of our great City of Houston.

Sincerely,

Ocbayohannes, Gary
Chairman
GHSCCOA

cc: All Association Members

Paez, Tina - ARA

From: aspdesigns@netzero.com
Sent: Tuesday, February 07, 2012 5:10 PM
To: Paez, Tina - ARA
Subject: Re: Taxicab Meter Rate Increase Presentation
Attachments: ATT00001..htm

Mrs. Paez:- Thank you for the summary of the discussion you sent us. Based on that, Our Association submit the following views:-

1. WE **STRONGLY OPPOSE** THE INSTALLATION OF THE CREDIT CARD / GPS DEVICE installing into taxi cap vehicles. It has to be up to the company who give the service. This is because: a) there will be unnecessary cost of the device to the owners as well as to the drivers. b) During these digital age; every company has its way to have the least expensive and more efficient credit card processing machines or other methods of payments. c) Beyond regulations, we think the city shouldn't interfere or enforce how the service provider receive his payments.

2. We suggest that all transportation services providers (limo, shuttle, ...etc) need to be regulated as well; because regulating only the taxi fares will inflate the charge of one side (taxi) and will create unbalancing services.

3. Like other cities, **We strongly suggest** to add extra passenger fee (\$2.00 - \$3.00 / person)

4. The proposed meter / zone rate looks unbalanced, which is some added 22% and some 20% more and we suggest that the zones need to be measured by the meter and the maximum meter rate should be the zone rate. We believe the zone rate is the guide to the driver to charge the maximum charge to the customer; and also guide to the customer to pay the minimum (least) amount of the fare.

Thanks
Ocbayohannes, Gary
Chairman
GHSCCOA
713-446-8679

Please note: message attached

From: "Paez, Tina - ARA" <Tina.Paez@houstontx.gov>
To: "Solomon Ephrem (E-mail) (centralcabhouston@yahoo.com)" <centralcabhouston@yahoo.com>, "harrisjr.eddie@yahoo.com" <harrisjr.eddie@yahoo.com>, "Duanehk@aol.com" <Duanehk@aol.com>, Paul Mina <pmina@taxipass.com>, "Mestin Ephrem (E-mail) (mephrem1@yahoo.com)" <mephrem1@yahoo.com>, "wellingby@comcast.net" <wellingby@comcast.net>, "aspdesigns@netzero.net" <aspdesigns@netzero.net>, Floyd Kaminski <fkaminski@houstonyellowcab.com>, UHTDA Managing Team <uhtda2011@gmail.com>, Roman Martinez <rmartinez@houstonyellowcab.com>, "l.becele@yahoo.com" <l.becele@yahoo.com>, "l.belcele@yahoo.com" <l.belcele@yahoo.com>, "jhawk853@gmail.com" <jhawk853@gmail.com>, Erich Reindl <EReindl@avantilimos.com>, "agulex2@yahoo.com" <agulex2@yahoo.com>, "sisay.bhl@yahoo.com" <sisay.bhl@yahoo.com>, "haiwandhailu@yahoo.com" <haiwandhailu@yahoo.com>, "Rickay Kamins (Rickam5327@aol.com)" <Rickam5327@aol.com>, "chittchatting@aol.com" <chittchatting@aol.com>, "business@vaughtinsurance.com" <business@vaughtinsurance.com>, "kitessa@gmail.com" <kitessa@gmail.com>, "welcomecab_2201@yahoo.com" <welcomecab_2201@yahoo.com>, "ykmarian@yahoo.com" <ykmarian@yahoo.com>, "gsebit@yahoo.com" <gsebit@yahoo.com>, "diogenesquest@gmail.com" <diogenesquest@gmail.com>, Michael Holt <kidcider@gmail.com>, "chris@chrisbelllaw.com"

Paez, Tina - ARA

From: Duanehk@aol.com
Sent: Friday, February 10, 2012 9:03 AM
To: Paez, Tina - ARA
Cc: rickam5327@aol.com
Subject: Re: meter increase

Tina,

We have reviewed the City's proposed fare increase and visited with Floyd Kaminski yesterday to discuss the fare structure proposed by Yellow Cab. Although an increase is long overdue and will be welcomed by all drivers, we want to be careful not to price ourselves out of the market. In addition, with the potential for a convenience fee which would need to be assessed in conjunction with the implementation of a back seat solution, the overall cost increase to the riding public could be substantial. For these reasons, Houston Transportation Services, LLC supports the fare structure proposed by Yellow Cab.

Should the City decide to consider something more than the fare structure proposed by Yellow cab, I would strongly recommend not going any higher than 2-3% above the fare structure we are supporting.

Sincerely,

Duane

Duane H. Kamins
Attorney at Law
5825 Kelley Street
Houston, Texas 77026
Tel: (713) 636-8601
Fax: (713) 636-8616
duanehk@aol.com

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In a message dated 2/9/2012 9:05:04 A.M. Central Standard Time, Tina.Paez@houstontx.gov writes:

Thank you!

From: Duanehk@aol.com [<mailto:Duanehk@aol.com>]
Sent: Thursday, February 09, 2012 9:04 AM
To: Paez, Tina - ARA
Subject: Re: meter increase

Tina,

We are planning to email you any comments we may have regarding the City's proposed rate increase by tomorrow afternoon.

The Association of Taxicab Owners and Drivers

P. O. Box 742713

Houston, Texas 77274

February 10, 2012

The members and the president of the Association are please to congratulate you for inviting us last Friday, February 3 to participate in discussion of Taxicab meter rate increase. This is the first time we got invited. However, we are grateful to you for initiating the rate increase at this time without Yellow Cab Company's recommending meter rate increases that are always detriment to the drivers.

Now, in viewing the industry (big companies) meter rate increases and yours (ARA), we completely, heartily agree to yours (ARA) ~~Proposed Rates~~. In addition, we categorically reject and resent the industry's several percentages increase because their intention make drivers look criminal in the eyes of cab customers.

Meanwhile, we are proposing in addition to yours the followings:

1. Zone rates restricted to individual and popular areas
2. Additional passenger charge \$3.00
3. Excess baggage charge \$3.00 - \$5.00
4. Reject fifty cents (\$0.50) fuel surcharge because Riders always pay little more than the 0.50 cents
5. We oppose the Integrated Credit Card/GPS System in Each taxicab. Legally, in our opinion, the City Cannot dictate to individual how to run his own business. Accepting credit card should always be at owner's option.

Finally, our survey of many cities that includes, Dallas, TX, Chicago, Ill, Philadelphia, PA, their ordinances regarding zone and meter rates, state, pay zone or meter rate whichever is the higher. We believe that in your own (ARA) survey you will surely agree with our assessment and more so if you included New Orleans, Louisiana.

Respectfully submitted,

J. W. Masseh, President



UNITED HOUSTONIAN TAXICAB DRIVERS ASSOCIATION (UHTDA)

P.O.BOX: 37394 Houston, TX 77237 Email: UHTDA2011@gmail.com Phone: 713 517 4055

We appreciate your effort to improve Taxi business operation in our city. We would like to thank you for your effort to work on the meter rate study

Along with meter rate, there is a need to consider adjusting:

1. **The flat rate vs meter rate variation above \$= 2.00 need adjustment because we are losing our customers trust and good business opportunity.** We need adjustment because it is unfair and expensive by redistricting old city taxi zone ride map by working together.
2. Since **the city has been expanding in all directions and no redistricting has been done** for example; The Woodlands, Sugarland, Webster, Katy, Magnolia, Conroe...etc. as a part of Houston for Home/hotel going customers who can choose whichever route including HOV lanes. So adjustment is helpful for these areas.
3. There are **some areas not clearly marked in old city taxi zones** for example Home addresses from Greenway plaza to TC Jester areas are considered Zone 3 and height area as zone 1 which shows large rate variation meter vs flat rate cost drivers to lose some amount of money.
4. If these above not applicable for some reasons, **Flat rate may apply only to Medical Center, Downtown, the Galleria & known Hotel.**
5. **Extra charge on additional customer(s) above one passenger is absolutely necessary.**
6. **Eliminate different confusion cost like fuel, night fee, or other hidden fees**

In this regard as association we conducted survey from drivers to identify the drivers view on this issue of meter increment idea. From the survey, we found about 68 % agreed for adjustment in increment for meter rate with above issues additional considered and 32 % responded as disagreed for our survey for the following reasons.

Reasons for agreement: 1. the cost of living increased. 2. Permit lease increased. 3. Gas price increased

4. The value of vehicles purchase increased. 5. Our income decreased 6. Other costs for vehicles repairs, maintains, and different revenues increased etc...

Reasons for disagreement: 1. we may lose our business for other service providers like shuttles, town cars, rental cars etc 2. Permit holders may increase permit lease value 3. Economy of our customers still does not recovered well etc...

Therefore, we do not resist change. We support our city effort to make improvement in taxicab industry for the above six agreed group reasons and more factors may our city may considers. We also share our greatest fear with disagreed group for above three great points made by fellow drivers. We expect real change from our city in near future to make drivers independent permit holders and responsible for their business. We shall look for common ground that accommodates benefit of our customers from service, our city gain more revenue, drivers' independence in their business, permit holders, and cab companies equal work opportunity from the industry. We appreciate your fast respond and great effort in this matter.

Paez, Tina - ARA

From: UHTDA Managing Team [uhtda2011@gmail.com]
Sent: Friday, February 10, 2012 2:58 PM
To: Paez, Tina - ARA
Cc: COH - Mayor; Moran, Alfred - ARA
Subject: UHTDA FEEDBACK ON METER RATE ADJUSTMENT AND GPS/CC INSTALLATION

From: UNITED HOUSTONIAN TAXICAB DRIVERS ASSOCIATION (UHTDA)

Dear Paez, Tina

Good Afternoon! Thank so much for your effort to improve taxicab industry in our city. We received your e-mail you sent us to get a feedback on two issues about meter rate adjustment and introduction of new integrated GPS and Credit card installation in our vehicles for hiring in the city of Houston about a week ago. Accordingly, we did discussion and reviewed your document presentations in depth with our committees and members then **we agreed to meter rate and flat rate adjustment but object to the GPS and Credit card installation** for the time being on the feedback from our group and we bring these issues to your attention before further decision being made.

We agreed! Both as the committees and majority drivers agreed to meter rate adjustment with zone rate. Because this adjustment will solve the existing confusion in most zones-meter rate that we have currently for most trips from IHA/Hobby airports to all city limits since in the past/current most zones flat rate have lower flat rate and high meter rate which account for loss of good trust in the driver-customer relationship due to high differences in the two rates. Therefore, with this new adjustment we ask your department to consider the following **nine points to incorporate with meter rate adjustment in its assessment to achieve outstanding customer service** without having past confusions.

1. If we are protected by our city (ARA) from cab companies and approved that there will no additional increment on our permit lease in any form following this adjustment on drivers' expenses, we agree to the adjustment you requested to get feedback. Also, after meeting on February 3, 2011 we totally convinced that this adjustment is truly to help drivers otherwise the adjustment and any increment will affect us twice because we may lose our business to town cars and shuttles or customer may run away. Our greatest fear obviously the permit holders will raise their already expensive permit lease rate and other factors. In fact, from the meeting we were assured by the department there will not any additional permit lease increments following so we agreed for meter adjustment.
2. In this new adjustment we ask the department to proceed with all zones, zone flat rate must be greater than the actual meter rate at least by one dollar because it is the zone rate most case our customers can get from city/our web sites, both air port pamphlet, dispatchers, and as future display poster about trip information on our vehicles windows to be posted for customers. And meter rate is what customer can see actually at destination that display on meter which is accurate and most drivers use to get their fare. So, please take in to consideration to put estimated flat zone rate higher than the

meter rate this will eliminate drivers- customers' argument over payment and allow excellent customers- drivers' relationship better level. It also helps dispatchers in both airport and valets in the hotels to provide accurate fare information to customers hence our customers use their information as real-able information as they are city customers' representatives and also help customers for their trip fare plans a head of argument.

3. The flat rate vs meter rate variation above \$= 2.00 need adjustment on current price because we are losing our customers trust and good business opportunity. Zone rate must be put in the form of range intervals instead of single figure. For example, Downtown zone two, flat rate \$50.00-55.00 with all fees included. Galleria zone three, flat rate \$54.00-63.00 including all hidden fees. In short, all final fare will end with the range of amount to be paid and it should not be single figure as the one in use currently this will avoid confusion in provision of information and strength accuracy of city estimation vs meter rate at the end of trip.

4. We ask the ARA department to make actual physical round trip in all city limits to put accurate meter rate with zone rate in this new adjustment. And we will provide taxicab service with meter from volunteers for those round trips since from experience we know current rates never match in any case meter vs flat rates. Here what we need your department employee/s to represent customer and to guide the shortest route of all city limit to match actual meter rate with estimated zone rate in all major streets and highways exits in all directions.

5. Since the city has been expanding in all directions and no redistricting has been done before most new areas. For example; The Woodlands, Sugarland, Webster, Katy, Magnolia, Conroe...etc. as a part of Houston for Home/hotel going customers who can choose whichever route including HOV lanes. So adjustment is helpful for these areas.

6. There are some areas not clearly marked in old city taxi zones for example Home addresses from Greenway plaza to TC Jester areas are considered Zone 3 and height area as zone 1 which shows large rate variation meter vs flat rate cost drivers to lose some amount of money.

7. If these above zone rates may be confusion and do not applicable for some reasons, Flat rate may apply only to Medical Center, Downtown, the Galleria & known Hotel.

8. Eliminate different confusion small costs like fuel surcharge, night fee, or other hidden fees because customers already paying those costs in their tips or adjust these fees with meter now to avoid confusions.

9. And Extra charge on additional customer(s) above one passenger is absolutely necessary.

On the other hand, we also fully understood your energy and commitment to modify the industry from our different meetings we had together and the e-mails we exchanged in the past in working together. We support change which comes in right way and come after explanations all information regarding to the change itself. We really appreciate your efforts, time and every research you have done so far. Yet, with this GPS and Credit card issue we need more time, explanations and discussion to know the advantage and disadvantage this new technology can bring in the industry because there are a lot of questions following this installation of new technology. So we object the idea of new technology because:-

1. We need more explanation about the usage of the new technology in terms of advantage and its disadvantage
2. We need more information how we can get our money back after transaction
3. We need more information about who will be the owner this new technology hence we do not want the cab companies to take over then we will be charged for the cost by increasing our permit lease fee or in any form of additional fees come with this new system installation. We already knew from medallion the city cannot force them once it gives the power of ownership of such device for the cab companies. We must make/get serious and clear policy before hand over the technology to them and before it is gone far. It is not and cannot be happen installation of such expensive equipment without involving the drivers soon or later. If such crisis about to come later, we must get the chance of ownership at affordable cost. This option must be discussed with the driver regarding to ownership issue and others.
4. Who cover its cost for installations, repair, and maintains in the future
5. Who will regulate the system for drivers and customer privacy issues
6. What will be our role in having this new machine and others

However, we believe that we need the technology and we understood it was our request to have such technology including camera and other materials for safety protection for customers and drivers. We understood that we have to have evidence after incidents of any form of proof in every complaint. Also we believe it was our request to have better credit card system which involves all four parties in cost related to processing fee which means the drivers, the customer, cab companies, and the credit card exchanging companies to share the processing fee at very reasonable processing fee. Hence the current system only involve one party and it costs the drivers from 5%-7% from their fare in using regular credit card and \$ 4.50 per transaction from customer and \$ 1.00 from driver per transaction from driver in using taxi pass credit card system. In both case the prices are expensive for drivers and customers so we need better system which is cheap, effective, durable, and effective in its usage which involves all four parties above (drivers, customers, cab companies, and credit card companies) in paying the processing fee which probably cost one dollar from each group.

Inconclusions, according to our association and majority drivers we have talked with them, we agreed with meter rate adjustment and approved the city to make adjustment by considering all nine points above under meter rate adjustment. However, with the technology we need time, detail explanations, discussion and clear policy on every aspect of the system for better management because we have greatest fear base on past experience which was costly permit lease that affect 31%-64% drivers' expenses which authorized by the city to the cab companies every power to charge cab drivers by allowing the cab companies almost free public propriety for \$531.00 a year to companies and we (drivers) pay at high price at cost of minimum \$=8000.00 and above per year for the same public property just for our living/ to survive without our willing for unregulated price on medallion because we do have any choice to object things passed as law in the past and placed in the ordinance. We hope that this change in medallion usage is still under way and still possible as far as we work together regarding to medallion distribution itself once the city ordinance ready for revision. Therefore we do not have power in reversing this decision on GPS/Credit card issue once this new machine

become their property so they can charge any price of their willing. So we more time to discuss with the city all aspects regarding to the new system application.

We believe by working together we can solve all our difficulties so we are looking from the department to explain in depth about this new technology issue before any decision has been made. We can organize the meeting together so that drivers and its leaders will get better understanding. We support change in right way. We need direct communication, No third party at this time and we feel we are one. We deserve the same privilege as cab companies in our business. We are city because we are the one serving our community. We appreciated every effort you have done since our existence as the association to lead as bridge between the drivers, authority, and the general public. We believe our relation with your office was great and shall continue being strong in our future activities. We hope these information are helpful and wait for good positive respond.

Sincerely,

Dedefo Ulu

UHTDA President,

February 10, 2012

Houston TX

Cc: The Mayor office

To director of ARA office

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UHTDA Managing Team.

<http://houstontaxidriversassn.com/index.html>